4012

Modified by Tax-Aide's National Tax Training Committee

Volunteer Resource Guide

FOR USE BY AARP FOUNDATION TAX-AIDE VOLUNTEERS ONLY

2025 RETURNS

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Volunteer Standards of Conduct

Volunteer Income Tax Assistance / Tax Counseling for the Elderly (VITA/TCE) Programs

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

Annually all VITA/TCE volunteers must pass the Volunteer Standards of Conduct (VSC) certification test and agree that they will adhere to the VSC by signing and dating **Form 13615**, Volunteer Standards of Conduct Agreement – VITA/TCE Programs, prior to volunteering at a VITA/TCE site. In addition, return preparers, quality reviewers, coordinators, client facilitators and tax law instructors must certify in Intake/Interview and Quality Review. Volunteers who answer tax law questions, instruct tax law classes, prepare or correct tax returns, or conduct quality reviews of completed returns must also certify in tax law prior to signing the form. Form 13615 is not valid until the sponsoring partner's approving official (coordinator, instructor, administrator, etc.) or IRS contact confirms the volunteer's identity, name, and address, using government-issued photo identification, and signs and dates the form. Volunteers' names and addresses in Link & Learn Taxes must match their government issued photo identification. Advise volunteers to update their My Account page in Link & Learn Taxes with their valid name and address.

As a volunteer in the VITA/TCE Programs, you must adhere to the following Volunteer Standards of Conduct:

VSC #1 – Follow all Quality Site Requirements (QSR).

VSC #2 – Do not accept payment, ask for donations, or accept refund payments for federal or state tax return preparation from customers.

VSC #3 – 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.

VSC #4 – Do not knowingly prepare false returns.

VSC #5 – 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.

VSC #6 – Treat all taxpayers in a professional, courteous, and respectful manner.

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

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

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Confidentiality Statement:

All tax information you receive from taxpayers in your volunteer capacity is strictly confidential and should not, under any circumstances, be disclosed to unauthorized individuals.

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About This Guide

Tax-Aide's NTTC 4012 is the primary resource to assist Tax-Aide volunteers in preparing in-scope tax returns using TaxSlayer.[1] Any use of "VITA/TCE" in this guide also applies to Tax-Aide unless noted otherwise. Refer to **Tax-Aide's NTTC 4491 Tax Training Guide** for in-depth tax law discussions and guidance.

The NTTC 4012 replaces IRS Pub 4012 for Tax-Aide volunteers. The NTTC 4012:

- Reflects Tax-Aide's scope and policies, which have variances from the broader VITA/TCE program.
- Includes updated instructions, screenshots, etc. that could not be included in the printed Pub 4012 due to time constraints.
- Adds additional step-by-step instructions, hints, and reminders to aid in preparing returns and avoiding common errors.
- Enables optimal online use to improve effectiveness and productivity:
  - The cover page's quick navigation section facilitates getting to information in just a few clicks.
  - The Table of Contents and PDF Bookmarks have hierarchy added to group related pages.
  - The Tab O navigation table and the index have been extended and are fully linked.
  - Over 2,000 internal and external links have been added, including links to Tax-Aide tools and resources. Links have also been provided to the **Colorado Resource Toolbox**, a set of independently developed tools available to Tax-Aide volunteers.
  - Tips for navigating this guide online are available later in this section.

Scope of Service

Not all forms, lines, boxes, issues, etc. are authorized for the Tax-Aide program; i.e., In Scope. Under the provisions of the Volunteer Protection Act, AARP Foundation Tax-Aide volunteers must stay within the scope of the program and only prepare returns for which they have been trained and certified. Volunteers may only provide tax assistance based on their level of certification—(B) Basic, (A) Advanced, (M) Military, (I) International, (FS) Foreign Student, and (PR) Puerto Rico 1 & 2. Many headings and bullet points are preceded by the abbreviated certification requirement; e.g., (A) indicates Advanced Certification is required, while (B/A/M) indicates the certification requirement is conditional and may be Basic, Advanced, or Military.

Select scope issues are covered in this guide, but the **Tax-Aide Scope Manual** is the primary and complete source of scope information, including certification requirements. Tax-Aide volunteers should never use the Scope of Service included in IRS Publication 4012—Tax-Aide scope differs from overall VITA/TCE scope.

The TCE program grant does not permit a standalone income limit, however income thresholds as low as $197,300 ($125,000 if MFS) in combination with additional elements can require forms that are out of scope (making the entire return OOS). See the **Tax-Aide Scope Manual**, *When high income can cause a return to be out of scope*.

Tax-Aide Policy: Friends and Family Returns

Volunteers may use the IRS provided software to prepare and e-file their own tax return and the returns of immediate family members and close friends with whom they have a strong ongoing relationship. Unlike Tax-Aide returns, Friends and Family returns have no scope limitations. However, if a counselor chooses to prepare a return that is Out of Scope or outside of **Tax-Aide Policy and Procedures**, they are no longer protected by the Volunteer Protection Act for that return.

[1] TaxSlayer is a copyrighted software program owned by Rhodes Computer Services. All screenshots that appear throughout the official VITA/TCE training materials are used with the permission of Rhodes Computer Services.

How to Use This Guide

The screening sheets/decision trees, charts and interview tips are from your training materials, **Publication 17**, Your Federal Income Tax (For Individuals), and other tax topic related publications. Use these tools during the dialogue with the taxpayer – "ask the right questions; get the right answers." The IRS **Interactive Tax Assistant (ITA)** is also an excellent tool to guide you through answers to tax law questions. See page P-12 for more details.


Notes


Tips


Caution


TaxSlayer


Navigation

The Icons shown above are used to ease navigation throughout this publication. Hyperlinks appear in blue type. Links to IRS Forms, Instructions, Publications, etc. will take you to the current year version. If preparing a prior year return, see page M-10 and be sure to reference the correct tax year.

Numbers in Blue Circles and Numbered Bullet Points

Some numbered bullet points correspond to specific locations on a form or screenshot, each marked with the same number inside a blue circle — e.g., 2. ***Every*** blue-circled number on a form or screenshot has a matching bullet point that provides further explanation. For example:

- All of the bullet points on page A-6 are standalone; they do not reference a blue circle number.
- Bullet 4 on page D-71 is in reference to the blue circle 4 above it. Without this realization the bullet point would not make sense or be subject to misinterpretation.

A blue circled number on a form or screenshot always has a correspondingly numbered bullet point! Always check to see if a numbered bullet point is in reference to a blue circle number!

The software may change after this publication becomes available. Screenshots in this guide may depict last year's version of the software. Follow menus and prompts to enter current year tax information in the software. If additional information is needed, refer to TaxSlayer's **VITA/TCE Blog**. The blog will keep you up to date with any changes and notifications regarding preparing, creating or modifying returns. An updated version of this guide will be released as needed and made available via the link at the bottom-right of the front cover.

Printing specific page(s) for reference during tax preparation

The full NTTC 4012 is not intended for printing of the whole document. Using it in your Chromebook ensures you are viewing the most current revision with navigation features to make it easier and quicker to find what you need. To print a page or few pages for reference:

- Ensure that page numbers are already displayed just above the page. If they're not, then press Ctrl+P (or click the icon in the upper-right corner), as described in Basic Navigation on the next page.
- Navigate to the first page you want to print and then note the numerical page number from above the page (not the page label at the bottom of the page; e.g. viii or X-1). For example, this page is labeled as page viii at the bottom of the page, but is numerical page 8 as shown just above the top of the page.
- Press Ctrl+P (or click the icon) again to pop up your browser's Print dialog. Select *Custom* in the *Pages* dropdown list, type in the numerical page or range of pages that you want to print, and click *Print*.

Navigating the NTTC 4012 in Your Browser

Click this link to watch a **short video** demonstrating how to navigate the NTTC 4012.

Opening the NTTC 4012

- On a Chromebook: click *Tax Aide Links > Tax Prep and Training > NTTC 4012*
- On other devices, use this link: **https://ta-nttc.tiny.us/NTTC-4012** (bookmark this!)
- Open on your tablet by scanning the QR code at the bottom-right of the front cover

Shortcut Keys and Navigation

- Press **Ctrl** + **F** to open the "Find in document" search box. Press **Enter** or **Shift** + **Enter** to find the next or previous instance of the search term.
- Press **Ctrl** + **+** to zoom in, **Ctrl** + **-** to zoom out, or **Ctrl** + **0** to reset the zoom level to 100%. On a touch screen or trackpad, you can use a two-finger pinch gesture to zoom in and out.
- To scroll, use the **arrow keys**, mouse wheel, trackpad, or touch screen. On a Chromebook trackpad, this is done with a two-finger sliding gesture.
- Press **Page Up** or **Page Down** to scroll up or down one screen at a time.
- To quickly switch between Chrome tabs (e.g., between TaxSlayer and the NTTC 4012), press **Ctrl** + **Tab** (next tab), **Ctrl** + **Shift** + **Tab** (previous tab), **Ctrl** + **1** through **Ctrl** + **8** (go to tabs 1-8).
- Use the **PDF outline** for quick access to the NTTC 4012 Table of Contents. Look for the following two icons in the **navigation pane** on the left edge of the Chromebook's browser. If the navigation pane isn't visible, click the ❯ at the bottom-left of the browser window to open it.

   ← Click to show/hide page thumbnails.

   ← Click to show/hide the PDF outline (bookmarks). Click ❯ to expand collapsed subcategories.

Use the Quick Navigation Links on the Front Cover!

Supercharge your search by using the three rows of Quick Navigation Links on the front cover to find what you're looking for in a flash!

- **Table of Contents:** Click a link to go to the Table of Contents page covering that range of tabs.
- **Tab O Navigation:** To find the form or topic you want, click the relevant link for the range of forms or topics. This takes you into the table starting on page O-10 that shows where you can find what you're looking for within TaxSlayer, on Form 1040, and in this guide.
- **Index:** Jump to the desired index page by clicking the first letter of the topic you're looking for.

Re-access the Quick Navigation Links via the link to return "to Front Cover" at the bottom-right of every page.

Other Links on the Front Cover

- **Navigation Tips** – You're here!
- **How to Use This Guide** – Important explanations of icon meaning, significance of numbering, etc.
- **Release Notes** – Details about each release of this guide, including errata.
- **Scope of Service** – Takes you to page vii, where Scope is discussed.
- **NTTC Useful Tax Prep Links** – Links to the most commonly used tax preparation resources (also bookmarked on Chromebooks in *Tax Aide Links > Tax Prep and Training*).
- **Click here for latest version** – Accessing the NTTC 4012 as described above in Opening the NTTC 4012 ensures you're always using the latest version. Otherwise, click the link at the bottom-right of the front cover to open the latest version in your browser.

Quality Site Requirements

All taxpayers using the services offered through the VITA/TCE programs should be confident they are receiving accurate tax return preparation and quality service. The purpose of the **Quality Site Requirements (QSR)** is to ensure the quality and accuracy of tax return preparation and consistent site operations. The QSR must be communicated to and followed by all volunteers and partners to ensure IRS and partner quality goals are met. The ten requirements are listed below.

QSR 1: Certification

QSR 2: Intake/Interview and Quality Review Process

QSR 3: Confirming Photo Identification and Taxpayer Identification Numbers (TIN)

QSR 4: Reference Materials

QSR 5: Volunteer Agreement

QSR 6: Timely Filing of Tax Returns

QSR 7: Civil Rights

QSR 8: Correct Site Identification Number (SIDN)

QSR 9: Correct Electronic Filing Identification Number (EFIN)

QSR 10: Security

For detailed guidance on the QSR, refer to **Publication 5166**, VITA/TCE Volunteer Quality Site Requirements, and the **Tax-Aide Policy and Procedures Manual**. For guidance on applying the QSR to alternative filing methods, see **Publication 5324**, Fact Sheet: Quality Site Requirements for Alternative Filing Models for SPEC Partners and Employees.



For the convenience of the reader, this guide includes references to several Tax-Aide policies when related topics are discussed. The **Tax-Aide Policy and Procedures Manual** is the complete source of Tax-Aide policy and takes precedence over this guide.

Tab A: Who Must File

Chart A – For Most People Who Must File

If you may be claimed as a dependent by another taxpayer, you must file as a dependent whether you are being claimed or not. See Chart B.

If your filing status is...	AND at the end of 2025 you were...[1]	THEN file a return if your gross income was at least...[2]
Single	under 65 65 or older	$15,750 $17,750
Married filing jointly[3]	under 65 (both spouses) 65 or older (one spouse) 65 or older (both spouses)	$31,500 $33,100 $34,700
Married filing separately (see the Instructions for Form 1040)	any age	$5
Head of household (see the Instructions for Form 1040)	under 65 65 or older	$23,625 $25,625
Qualifying Surviving Spouse (see the Instructions for Form 1040)	under 65 65 or older	$31,500 $33,100

[1]If you were born on January 1, 1961 you are considered to be age 65 at the end of 2025. (If your spouse died in 2025 or if you are preparing a return for someone who died in 2025, see Publication 501

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

- Do not include any Social Security benefits unless
  - you are married filing a separate return and you lived with your spouse at any time in 2025 or
  - one-half of your Social Security benefits plus your other gross income and any tax-exempt interest is more than $25,000 ($32,000 if married filing jointly).

  If either situation applies, see the Form 1040 Instructions to figure the taxable part of Social Security benefits you must include in gross income.
- Gross income includes gains, but not losses, reported on Form 8949 or Schedule D.
- Gross income from a business means, for example, the amount on Schedule C, line 7, (business income before subtracting expenses).

[3]If you didn't live with your spouse at the end of 2025 (or on the date your spouse died) and your gross income was at least $5, you must file a return regardless of your age.

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

Chart B – For Children and Other Dependents

If your parent (or any other taxpayer) **may** claim you as a dependent, use this chart to see if you must file a return. Dependents who do not have a filing requirement based on this chart should also check Chart C, Other Situations When You Must File, and Chart D, Who Should File.

In this chart, **unearned income** includes taxable interest, ordinary dividends, and capital gain distributions. It also includes unemployment compensation, taxable Social Security benefits, pensions, annuities, and distributions of unearned income from a trust. **Earned income** includes salaries, wages, tips, professional fees, and taxable scholarship and fellowship grants. **Gross income** is the total of your unearned and earned income.

Single Dependents	
Either 65 or older **or** blind	You must file a return if **any** of the following apply. 1. Your unearned income was over $3,350 ($5,350 if 65 or older **and** blind). 2. Your earned income was over $17,750 ($19,750 if 65 or older **and** blind). 3. Your gross income was more than the **larger** of — a. $3,350 ($5,350 if 65 or older **and** blind) or b. Your earned income (up to $15,300) plus $2,450 ($4,450 if 65 or older **and** blind).
Under 65 and not blind	You must file a return if **any** of the following apply. 1. Your unearned income was over $1,350. 2. Your earned income was over $15,750. 3. Your gross income was more than the **larger** of — a. $1,350, or b. Your earned income (up to $15,300) plus $450.

Married Dependents	
Either age 65 or older **or** blind	You must file a return if **any** of the following apply. 1. Your unearned income was over $2,950 ($4,550 if 65 or older **and** blind). 2. Your earned income was over $17,350 ($18,950 if 65 or older **and** blind). 3. Your gross income was at least $5 and your spouse files a separate return and itemizes deductions. 4. Your gross income was more than the **larger** of — a. $2,950 ($4,550 if 65 or older **and** blind), or b. Your earned income (up to $15,300) plus $2,050 ($3,650 if 65 or older **and** blind).
Under age 65 and not blind	You must file a return if **any** of the following apply. 1. Your unearned income was over $1,350. 2. Your earned income was over $15,750. 3. Your gross income was at least $5 and your spouse files a separate return and itemizes deductions. 4. Your gross income was more than the **larger** of — a. $1,350, or b. Your earned income (up to $15,300) plus $450.

Form 8615, Tax for Certain Children Who Have Unearned Income (Kiddie Tax)

Children under age 18 and certain older children who are required to file a tax return and have unearned income over $2,700 must file **Form 8615**. For this purpose, “unearned income” includes all taxable income other than earned income, such as taxable interest, ordinary dividends, capital gains, rents, royalties, etc. It also includes taxable Social Security benefits, pension and annuity income, taxable scholarship and fellow ship grants not reported on **Form W-2**, Wage and Tax Statement, unemployment compensation, alimony (if taxable), and income received as the beneficiary of a trust. Form 8615 is in scope for Native Americans receiving per capita payments and Alaska residents receiving permanent fund dividends. For all other purposes, Form 8615 remains Out of Scope. To determine if Form 8615 must be filed, see page H-5. A child filing Form 8615 does not make the parent's return out of scope.



Taxable scholarships and fellowship grants are considered as earned income for the purpose of determining if a dependent must file a tax return and for calculating the standard deduction for dependents. Taxable scholarships and fellowship grants not reported on Form W-2 are considered to be unearned income for the purpose of calculating kiddie tax.

Chart C – Other Situations When You Must File

You must file a return if any of the conditions below apply for 2025.

1. You owe any special taxes, including any of the following.
   a. Alternative minimum tax (Out of Scope).
   b. Additional tax on a qualified plan, including an individual retirement arrangement (IRA), or other tax-favored account. But if you are filing a return only because you owe this tax, you can paper file Form 5329 by itself.
   c. Household employment taxes. But if you are filing a return only because you owe this tax, you can file Schedule H by itself (Out of Scope).
   d. Social Security and Medicare tax on tips you did not report to your employer or on wages you received from an employer who did not withhold these taxes.
   e. Write-in taxes, including uncollected Social Security and Medicare or RRTA tax on tips you reported to your employer or on group-term life insurance and additional taxes on health savings accounts. See the **Instructions for Form 1040**.
   f. Recapture taxes. See the **Instructions for Form 1040** (Out of Scope).
2. You (or your spouse, if filing jointly) received HSA distributions (in scope), Archer MSA distributions (Out of Scope), or Medicare Advantage MSA distributions (Out of Scope).
3. You had net earnings from self-employment of at least $400. Net earnings are Sch C profit multiplied by 92.35%. There is no self-employment tax on Sch C profit of less than $433.
4. You had wages of $108.28 or more from a church or qualified church-controlled organization that is exempt from employer Social Security and Medicare taxes (see page H-4).
5. Advance payments of the premium tax credit were made for you, your spouse, or a dependent who enrolled in coverage through the Marketplace. You or whoever enrolled you should have received Form(s) 1095-A showing the amount of the advance payments. Note: If you are a dependent who is claimed on someone else’s 2025 return, you do not have to attach Form 8962.

Chart C – Other Situations When You Must File (cont'd)

6. You are required to include amounts in income under section 965 or you have a net tax liability under section 965 that you are paying in installments under section 965(h) or deferred by making an election under 965(i) (Out of Scope).
7. You purchased a new or used clean vehicle from a registered dealer and reduced the amount you paid at the time of sale by transferring the credit to the dealer. See **Form 8936** and **Schedule A (Form 8936)** (Out of Scope).

Chart D – Who Should File

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

1. You had income tax withheld from your pay, pension, Social Security or other income.
2. You made estimated tax payments for the year or had any of your overpayment from last year's tax return applied to this year's taxes.
3. You qualify for the earned income credit. See **Publication 596**, Earned Income Credit (EIC), for more information.
4. You qualify for the additional child tax credit. See the **Instructions for Schedule 8812**, Credits for Qualifying Children and Other Dependents.
5. You qualify for a refundable American opportunity credit.
6. You qualify for the premium tax credit.
7. You receive a 1099-B, Proceeds From Broker and Barter Exchange Transactions, and the gross proceeds plus other income exceeds the filing limits in Chart A.
8. You receive a 1099-DA, Digital Asset Proceeds From Broker Transactions, and the gross proceeds plus other income exceeds the filing limits in Chart A (Out of Scope).
9. You receive Form 1099-S, Proceeds From Real Estate Transactions.
10. You are required to file a state return.
11. You qualify for the refundable credit for prior year minimum tax. See **Form 8801**, Credit for Prior Year Minimum Tax — Individuals, Estates, and Trusts (Out of Scope).
12. You qualify to file Form 4136, Credit for Federal Tax Paid on Fuels (Out of Scope).
13. You want to file a return, for example, to claim a state credit, for other assistance, etc.



Returns with zero AGI ($0 AGI), no refund, and no balance due can't be electronically filed. To e-file such a return, add $1 of interest income with the Payer entered as "TO E-FILE."

Tab B: Starting a Return and Filing Status

Form 1040 Job Aid

Please reference the indicated Tabs for filling out the corresponding sections on the 1040 form.

Form 1040 Department of the Treasury—Internal Revenue Service **U.S. Individual Income Tax Return** 2025 OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2025, or other tax year beginning , 2025, ending , 20 See separate instructions.

☐ Filed pursuant to section 301.9100-2 ☐ Combat zone ☐ Deceased MM / DD / YYYY Spouse MM / DD / YYYY

☐ Other

Your first name and middle initial	Last name	Your social security number
If joint return, spouse's first name and middle initial	Last name	Spouse's social security number

Home address (number and street). If you have a P.O. box, see instructions. | Apt. no. | Check here if your main home, and your spouse's if filing a joint return, was in the U.S. for more than half of 2025. ☐

City, town, or post office. If you have a foreign address, also complete spaces below. | State | ZIP code

Foreign country name | Foreign province/state/county | Foreign postal code

Presidential Election Campaign Check here if you, or your spouse if filing jointly, want $3 to go to this fund. Checking a box below will not change your tax or refund. ☐ You ☐ Spouse

Tab B

Filing Status

Check only one box.

☐ Single
☐ Married filing jointly (even if only one had income)
☐ Married filing separately (MFS). Enter spouse's SSN above and full name here:
☐ Head of household (HOH)
☐ Qualifying surviving spouse (QSS)
If you checked the HOH or QSS box, enter the child's name if the qualifying person is a child but not your dependent:
☐ If treating a nonresident alien or dual-status alien spouse as a U.S. resident for the entire tax year, check the box and enter their name (see instructions and attach statement if required):

Digital Assets

At any time during 2025, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.) . . ☐ Yes ☐ No

Tab D

Dependents

(see instructions)

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

	Dependent 1	Dependent 2	Dependent 3	Dependent 4
(1) First name				
(2) Last name				
(3) SSN				
(4) Relationship				
(5) Check if lived with you more than half of 2025	(a) ☐ Yes (b) ☐ And in the U.S.	(a) ☐ Yes (b) ☐ And in the U.S.	(a) ☐ Yes (b) ☐ And in the U.S.	(a) ☐ Yes (b) ☐ And in the U.S.
(6) Check if	☐ Full-time student ☐ Permanently and totally disabled	☐ Full-time student ☐ Permanently and totally disabled	☐ Full-time student ☐ Permanently and totally disabled	☐ Full-time student ☐ Permanently and totally disabled
(7) Credits	☐ Child tax credit ☐ Credit for other dependents	☐ Child tax credit ☐ Credit for other dependents	☐ Child tax credit ☐ Credit for other dependents	☐ Child tax credit ☐ Credit for other dependents

Tab C

☐ Check if your filing status is MFS or HOH and you lived apart from your spouse for the last 6 months of 2025, or you are legally separated according to your state law under a written separation agreement or a decree of separate maintenance and you did not live in the same household as your spouse at the end of 2025.

Income

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a Form W-2, see instructions.

1a	Total amount from Form(s) W-2, box 1 (see instructions)		1a
b	Household employee wages not reported on Form(s) W-2		1b
c	Tip income not reported on line 1a (see instructions)		1c
d	Medicaid waiver payments not reported on Form(s) W-2 (see instructions)		1d
e	Taxable dependent care benefits from Form 2441, line 26		1e
f	Employer-provided adoption benefits from Form 8839, line 31		1f
g	Wages from Form 8919, line 6		1g
h	Other earned income (see instructions). Enter type and amount:		1h
i	Nontaxable combat pay election (see instructions) 1i		
z	Add lines 1a through 1h		1z

Attach Sch. B if required.

2a	Tax-exempt interest 2a		b	Taxable interest	2b
3a	Qualified dividends 3a		b	Ordinary dividends	3b
c	Check if your child's dividends are included in 1 ☐ Line 3a		2 ☐ Line 3b		
4a	IRA distributions 4a		b	Taxable amount	4b
c	Check if (see instructions) 1 ☐ Rollover		2 ☐ QCD	3 ☐	
5a	Pensions and annuities 5a		b	Taxable amount	5b
c	Check if (see instructions) 1 ☐ Rollover		2 ☐ PSO	3 ☐	
6a	Social security benefits 6a		b	Taxable amount	6b
c	If you elect to use the lump-sum election method, check here (see instructions) ☐				
d	If you are married filing separately and lived apart from your spouse the entire year (see inst.), check here ☐				
7a	Capital gain or (loss). Attach Schedule D if required				7a
b	Check if: ☐ Schedule D not required ☐ Includes child's capital gain or (loss)				
8	Additional income from Schedule 1, line 10				8
9	Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7a, and 8. This is your **total income**				9
10	Adjustments to income from Schedule 1, line 26				10
11a	Subtract line 10 from line 9. This is your **adjusted gross income**				11a

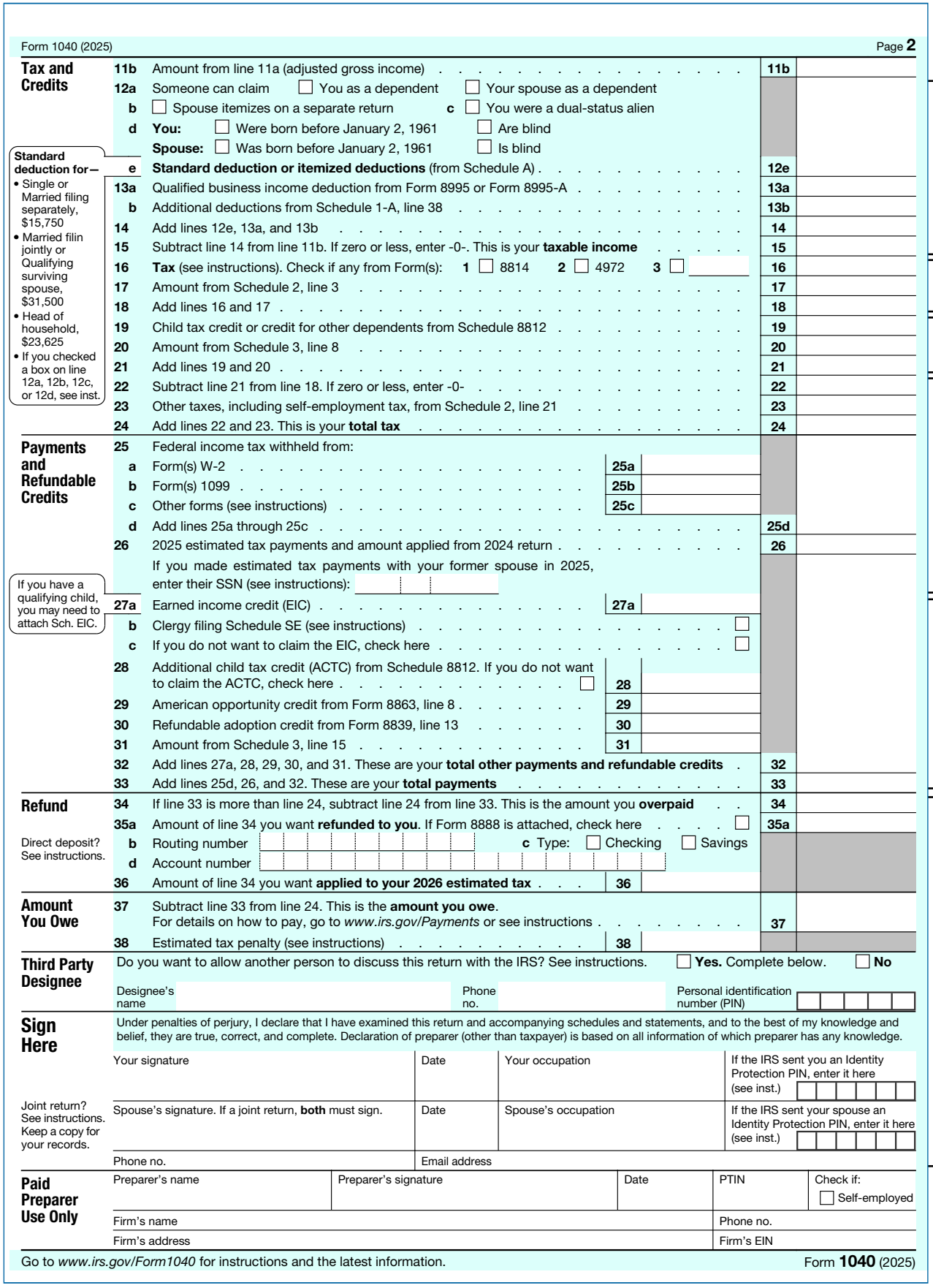
Tab D

Tab E

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11320B Form **1040** (2025) Created 9/5/25

Form 1040 Job Aid (cont'd)

Please reference the indicated Tabs for filling out the corresponding sections on the 1040 form.



Form 1040 (2025) Page 2

Tax and Credits

11b	Amount from line 11a (adjusted gross income)	11b	
12a	Someone can claim ☐ You as a dependent ☐ Your spouse as a dependent		
b	☐ Spouse itemizes on a separate return c ☐ You were a dual-status alien		
d	**You:** ☐ Were born before January 2, 1961 ☐ Are blind		
	Spouse: ☐ Was born before January 2, 1961 ☐ Is blind		
e	**Standard deduction or itemized deductions** (from Schedule A)	12e	
13a	Qualified business income deduction from Form 8995 or Form 8995-A	13a	
b	Additional deductions from Schedule 1-A, line 38	13b	
14	Add lines 12e, 13a, and 13b	14	
15	Subtract line 14 from line 11b. If zero or less, enter -0-. This is your **taxable income**	15	
16	**Tax** (see instructions). Check if any from Form(s): 1 ☐ 8814 2 ☐ 4972 3 ☐	16	
17	Amount from Schedule 2, line 3	17	
18	Add lines 16 and 17	18	
19	Child tax credit or credit for other dependents from Schedule 8812	19	
20	Amount from Schedule 3, line 8	20	
21	Add lines 19 and 20	21	
22	Subtract line 21 from line 18. If zero or less, enter -0-	22	
23	Other taxes, including self-employment tax, from Schedule 2, line 21	23	
24	Add lines 22 and 23. This is your **total tax**	24	

Standard deduction for—
- Single or Married filing separately, $15,750
- Married filin jointly or Qualifying surviving spouse, $31,500
- Head of household, $23,625
- If you checked a box on line 12a, 12b, 12c, or 12d, see inst.

Payments and Refundable Credits

25	Federal income tax withheld from:			
a	Form(s) W-2	25a		
b	Form(s) 1099	25b		
c	Other forms (see instructions)	25c		
d	Add lines 25a through 25c		25d	
26	2025 estimated tax payments and amount applied from 2024 return		26	
	If you made estimated tax payments with your former spouse in 2025, enter their SSN (see instructions):			
27a	Earned income credit (EIC)	27a		
b	Clergy filing Schedule SE (see instructions) ☐			
c	If you do not want to claim the EIC, check here ☐			
28	Additional child tax credit (ACTC) from Schedule 8812. If you do not want to claim the ACTC, check here ☐	28		
29	American opportunity credit from Form 8863, line 8	29		
30	Refundable adoption credit from Form 8839, line 13	30		
31	Amount from Schedule 3, line 15	31		
32	Add lines 27a, 28, 29, 30, and 31. These are your **total other payments and refundable credits**		32	
33	Add lines 25d, 26, and 32. These are your **total payments**		33	

If you have a qualifying child, you may need to attach Sch. EIC.

Refund

34	If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you **overpaid**	34	
35a	Amount of line 34 you want **refunded to you**. If Form 8888 is attached, check here ☐	35a	
b	Routing number c Type: ☐ Checking ☐ Savings		
d	Account number		
36	Amount of line 34 you want **applied to your 2026 estimated tax**	36	

Direct deposit? See instructions.

Amount You Owe

37	Subtract line 33 from line 24. This is the **amount you owe**. For details on how to pay, go to *www.irs.gov/Payments* or see instructions	37	
38	Estimated tax penalty (see instructions)	38	

Third Party Designee

Do you want to allow another person to discuss this return with the IRS? See instructions. ☐ **Yes.** Complete below. ☐ **No**

Designee's name | Phone no. | Personal identification number (PIN)

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Date	Your occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)
Spouse's signature. If a joint return, **both** must sign.	Date	Spouse's occupation	If the IRS sent your spouse an Identity Protection PIN, enter it here (see inst.)
Phone no.	Email address		

Joint return? See instructions. Keep a copy for your records.

Paid Preparer Use Only

Preparer's name	Preparer's signature	Date	PTIN	Check if: ☐ Self-employed
Firm's name			Phone no.	
Firm's address			Firm's EIN	

Go to *www.irs.gov/Form1040* for instructions and the latest information. Form **1040** (2025)

Tab F | Tab H | Tab G | Tab H | Tabs G, H, I, J | Tabs K, P

Form 1040 Schedules

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

If You...	Then Use...	Refer to:
Have additional deductions for any of the following: • Qualified tips deduction (No tax on tips) • Qualified overtime deduction (No tax on overtime) • Qualified car loan interest deduction (No tax on car loan interest) • Enhanced Deduction for Seniors	Schedule 1-A, Additional Deductions	Tab F
• Have additional income, such as unemployment compensation, prize or award money, or gambling winnings. • Have any deductions to claim, such as student loan interest deduction, self-employment tax, or educator expenses.	Schedule 1, Additional Income and Adjustments to Income	Tabs D, E, and F
• Need to make an excess advance premium tax credit repayment. • Owe other taxes, such as self-employment tax, additional tax on IRAs or other qualified retirement plans and tax-favored accounts	Schedule 2, Additional Taxes	Tab H
• Can claim a nonrefundable credit other than the child tax credit or the credit for other dependents, such as the foreign tax credit, education credits, credit for child and dependent care expenses or retirement savings contributions credit. • Can claim a refundable credit other than the earned income credit, American opportunity credit, or additional child tax credit. Have other payments, such as an amount paid with a request for an extension to file or excess Social Security tax withheld.	Schedule 3, Additional Credits and Payments	Tabs G, H, and J

Form 13614-C Job Aid for Volunteers

Important Reminders: See the **NTTC Gold Standards for Intake and Interview**. As part of the Intake/Interview process, Counselors and Quality Reviewers must:

- Ensure all questions applicable to the taxpayer's situation are answered on Pages 1 through 3,
- Complete all applicable "To be completed by certified volunteer" shaded areas, and
- Identify issues that would make the return Out of Scope (OOS), including when high income would require use of an OOS form. See page vii.

A quality review of each return must be completed using the Quality Review Checklist on page K-15.

Do not refer taxpayers to the VolTax e-mail address for IRS help or refund information. Refer to the back cover for appropriate IRS referrals.

Tax-Aide Policy: The Tax-Aide Intake Booklet specific to the tax year being prepared must be completed by the taxpayer. Current and prior year Tax-Aide Intake Booklets and Scope Manuals are available at **NTTC Useful Tax Prep Links**.

Form 13614-C Job Aid for Volunteers (Page 1)

Form **13614-C** (October 2025) | Department of the Treasury - Internal Revenue Service | **Intake/Interview and Quality Review Sheet** | OMB Number 1545-1964

You will need:
- Tax Information such as Forms W-2, 1099, 1098, 1095
- Social Security cards or ITIN letters for all persons on your tax return
- Picture ID (such as valid driver's license) for you and your spouse

- Complete pages 1-5 of this form
- You are responsible for the information on your return. Provide complete and accurate information.
- If you have questions, 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 ts.voltax@irs.gov

	M.I.	Last name		
Your first name			Your date of birth	Your job title
Spouse's first name			Spouse's date of birth	Spouse's job title

Mailing address	Apt #	City	State	ZIP code
Your telephone number	Spouse's telephone number	Email address (optional)	Did you live or work in two or more states in 2025 ☐ Yes ☐ No	

Can anyone else claim you or your spouse on their tax return ☐ **Yes** ☐ **No**

Check if you or your spouse were in 2025:

A U.S. citizen	☐ You	☐ Spouse	☐ No	Legally blind	☐ You	☐ Spouse	☐ No
In the U.S. on a visa	☐ You	☐ Spouse	☐ No	Totally and permanently disabled	☐ You	☐ Spouse	☐ No
A full-time student	☐ You	☐ Spouse	☐ No	Issued an identity protection PIN (IPPIN)	☐ You	☐ Spouse	☐ No
				Owners or holders of any digital assets	☐ You	☐ Spouse	☐ No

If due a refund, how would you like your refund
☐ Direct deposit ☐ Check by mail
☐ Split refund between accounts ☐ Other _____

If you have a balance due, how would you like to make your payment
☐ Bank account ☐ IRS.gov Direct Pay
☐ Set up installment agreement ☐ Mail payment to IRS

Would you like to receive written communications from the IRS in a language other than English ☐ You ☐ Spouse ☐ No
What language _____

Would you, or your spouse if married filing jointly, like $3 to go to the Presidential Election Campaign Fund ☐ You ☐ Spouse ☐ No

1. View photo ID's for each taxpayer and spouse (if filing a joint return)
2. Name as shown on Social Security records. See page B-19.
3. Taxpayer's current address where IRS should mail refund and/or other correspondence.
4. See Tab C to verify taxpayer's and spouse's (if filing a joint return) dependency status.
5. If not a U.S. citizen, or in the U.S. on a VISA, see Tab L to determine if return is within scope.
6. See Glossary for definition of Legally Blind, Permanently and Totally Disabled and a full time Student.
7. See page P-5 if taxpayer is a victim of identity theft or applied for and received an IP PIN.
8. See Tab K on how to enter information about a refund or balance due.
9. The "written communication" answer will be entered into TaxSlayer software. See page B-22.
10. President Election Campaign Fund answer will be entered into TaxSlayer software. See page B-22.

Form 13614-C Job Aid for Volunteers (Page 1 continued)

As of December 31, 2025, what was your marital status

☐ **Never Married** 11 ☐ **Married** If married, were you married on the last day of the year ☐ Yes ☐ No

Did you and your spouse live apart all of the last 6 months of the year ☐ Yes ☐ No

☐ **Divorced** ☐ **Legally Separated but not Divorced** ☐ **Widowed**

Date of final decree _____ Date of separate maintenance decree _____ Year of spouse's death _____

List the names below of everyone who lived with you last year (except your spouse) **AND** anyone you supported but did not live with you last year.					Answer Yes or No (Y/N)					**To be completed by certified volunteer (Yes, No, or N/A)** 17				
12 Name (first, last)	13 Date of birth (mm/dd/yy)	Relationship to you (child, parent, none, etc.)	Number of months lived in your home in 2025 14	Single or Married as of 12/31/2025 (S/M)	U.S. Citizen 15	Resident of U.S., Canada or Mexico	Full-time student	Totally and permanently disabled	Issued IPPIN 16	Qualifying child or relative of any other person	This person provided more than 50% of their own support	This person had less than $5,200 of income	Taxpayer(s) provided more than 50% of support for this person	Taxpayer(s) paid more than half the cost of maintaining a home for this person

Catalog Number 52121E www.irs.gov Form **13614-C** (Rev. 10-2025)

11. See page H-14 if taxpayer's marital status changed in 2025 (Married or Divorced). Verify how it may affect the Premium Tax Credit (PTC) and if return is within scope.
12. Taxpayer must include everyone who lived with the taxpayer and anyone the taxpayer supported who lived elsewhere. Always confirm this information during the interview process, especially if the taxpayer did not list anyone. Use the Additional/Notes Comments on Page 5 if space is needed to list additional names.
13. Verify birth date for each person included on the tax return.

    Incorrect birth dates may cause e-file rejection.
14. Verbally confirm the number of months each person listed lived in the home.

    Consider any temporary absences.
15. If not a US citizen, determine if the individual is a dependent who has an SSN or ITIN.
16. See page P-5 if taxpayer indicates an IP PIN was issued for the dependent.
17. The certified volunteer will complete these questions for each listed person during the interview. See page B-13 to determine Filing Status and see Tab C to determine Dependency Exemptions.

Important Reminder: Review all information on Page 1 before using Tabs B and C to determine Dependency Exemptions and Filing Status.

Form 13614-C Job Aid for Volunteers (cont'd)

Important Reminder: During the interview, verify with taxpayer that each checked box on the left side of page (unshaded) is applicable to their situation. Check the boxes in the "To be completed by certified preparer" sections (shaded area) to indicate the item has been verified with the taxpayer. Unchecked boxes on Pages 2 and 3 must be addressed with the taxpayer and annotated "No", "N/A", a check mark, or other markings if any items do not apply to the taxpayer.

Form 13614-C Job Aid for Volunteers (Page 2)

Received money from any of the following in 2025:	(To be completed by certified volunteer) Income to be included	Notes/Comments
1 ☐ (B) Wages as a part-time or full-time employee How many jobs _____	☐ (B) W-2s 4 3 # _____	9
☐ (B/A) Tips	☐ (B/A) Tips (Basic when reported on W2)	
☐ (B/A) Retirement account, pension or annuity proceeds	☐ (B/A) 1099-R (Basic when taxable amount is reported) # _____ ☐ (A) Qualified Charitable Distribution From 1099-R $ _____	
2 ☐ (B) Disability benefits (such as payments from insurance and worker's compensation)	☐ (B) Disability benefits on 1099-R or W-2 # _____	
☐ (B) Social Security or Railroad Retirement Benefits 5	☐ (B) SSA-1099, RRB-1099 # _____	
☐ (B) Unemployment benefits	☐ (B) 1099-G # _____	
☐ (B) Refund of state or local income tax	☐ (B) Refund $ _____ ☐ (B) Itemized last year ☐ Yes ☐ No	
☐ (B) Interest or dividends (bank account, bonds, etc.)	☐ (B) 1099-INT # _____ ☐ (B) 1099-DIV # _____	
☐ (A) Sale of stocks, bonds or real estate Did you report a loss on last year's return ☐ Yes ☐ No	☐ (A) 1099-B (include brokerage statement) # _____ ☐ Capital loss carryover ☐ Yes ☐ No	
☐ (B) Alimony 6	☐ (B) Alimony $ _____ Excluded from income ☐ Yes ☐ No	
☐ (A/M) Income from renting out your house or a room in your house If yes, did you use the dwelling unit as a personal residence and rent it for fewer than 15 days ☐ Yes ☐ No ☐ Income from renting personal property such as a vehicle	☐ (A/M) Rental income (Advanced when the dwelling is a personal residence and rented for fewer than 15 days) ☐ Rental expense $ _____	
☐ (B) Gambling winnings, including lottery	☐ (B) W-2G or other gambling winnings (list losses below if taxpayer can itemize deductions) # _____	
☐ (A) Payments for contract or self-employment work 7 Did you report a loss on last year's return ☐ Yes ☐ No	☐ (A) Schedule C ☐ 1099-MISC # _____ ☐ 1099-NEC # _____ ☐ 1099-K # _____ ☐ Other income reported elsewhere ☐ Schedule C expenses $ _____	
8 ☐ Any other money received during the year? (example: cash payments, jury duty, awards, digital assets, royalties, union strike benefits)	☐ Other income (see Pub 4012 for guidance on other income, i.e., scope of service chart)	

Catalog Number 52121E www.irs.gov Form **13614-C** (Rev. 10-2025)

1. Certification indicators B, A, M should only be used to assign returns to preparers. Final certification level should be made using the **Tax-Aide Scope Manual** after completing interview. Volunteers should identify any issues that make the return out-of-scope (OOS).
2. During the interview, verify with taxpayer that each checked box on the left side of page (unshaded) is applicable to their situation. Mark the unchecked boxes "No", "N/A", a check mark, or other markings if those income items do not apply to the taxpayer.
3. Check the boxes in the "To be completed by certified preparer" sections (shaded area) to indicate the income item has been verified with the taxpayer. Record number of forms and dollar amounts if applicable.
4. See page D-8 for Form W-2 instructions.
5. If a TY2025 Form SSA-1099 or RRB-1099 includes benefits attributable to a prior year, the prior year return(s) may be needed to complete the lump-sum payment worksheet. See #4 on page D-68.
6. See page E-14 for definition of alimony.
7. When self-employment income is indicated, verify that the return is in scope.
8. Not all these items are reported on Schedule 1, Line 8. See **Publication 17**, Your Federal Income Tax (For Individuals). Also see Tab D.
9. Use the Notes/Comments column to leave additional taxpayer information, preparer notes, and notes for the quality reviewer.

Form 13614-C Job Aid for Volunteers (Page 3)

Page 3

Expenses and Tax Related Events: Answer the questions on the left side of this page. Check only the boxes that apply to you and/or your spouse.

Paid any of the following expenses to itemize in 2025?	(To be completed by certified volunteer) Standard or Itemized Deductions	Notes/Comments
☐ (A) Mortgage Interest	☐ (A) 1098 # _____	
☐ (A) Taxes: state, local, real estate, sales, etc. 1		
☐ (A) Medical, dental, prescription expenses	☐ (B) Standard deduction ☐ (A) Itemized deduction	
☐ (A) Charitable contributions		
Paid any of these expenses in 2025?	**(To be completed by certified volunteer) Expenses to report**	**Notes/Comments**
☐ (B) Student loan interest 2	☐ (B) 1098-E	
☐ (B) Child and dependent care 3	☐ (B) Child and dependent care credit	
☐ (B/A) Contributions to a retirement account 4	☐ (B/A) IRA (Basic if a Roth IRA or 401K)	
☐ (B) School supplies by a teacher, teacher's aide or other educator	☐ (B) Educator expenses deduction $	
☐ (B) Alimony payments (do not include child support)	☐ (B) Alimony payments with spouse's SSN $ _____ Adjustment to income ☐ Yes ☐ No	
Did any of the following happen during 2025?	**(To be completed by certified volunteer) Information to report**	**Notes/Comments**
☐ (B) You or someone in your family took educational classes (technical school, college, job related, etc.) 5	☐ (B) Taxable scholarship income ☐ (B) 1098-T (itemized statement from school, invoice, etc.) ☐ (B) Education credit or tuition and fees deduction	
☐ (A) Sell a home	☐ (A) Sale of home (1099-S)	
6 ☐ (A) Have a health savings account (HSA)	☐ (A) HSA contributions ☐ (A) HSA distributions	
7 ☐ (A) Purchase health insurance through the Marketplace (Exchange)	☐ (A) 1095-A	
8 ☐ (A) Purchase and install energy-efficient home items (example: windows, furnace, insulation, etc.)	☐ (A) Energy efficient home improvement credit (Form 5695, Part II only)	
9 ☐ (A) Other (example: purchased a new vehicle, etc.)	☐ VIN #	
☐ (A) Have credit card, mortgage, or other debt cancelled/forgiven by a lender	☐ (A) 1099-C	
☐ (A) Have a loss related to a declared Federal disaster area 10	☐ (A) 1099-A ☐ Disaster relief impacts return	
☐ (B) Have a tax credit disallowed (example: earned income credit, child tax credit, or American opportunity credit) 11	☐ (B) EITC, CTC, AOTC or HOH disallowed in a previous year Year disallowed Reason	
☐ Receive any letter or bill from the IRS 12	☐ Eligible for Low Income Taxpayer Clinic referral	
☐ (B) Make estimated tax payments or apply last year's refund to 2025 taxes 13	☐ (B) Estimated tax payments _____ ☐ (B) Last year's refund applied to this year _____	
☐ Brought last year's return	☐ Last year's return available	

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1. Verify if taxpayer can itemize. See Tab F.
2. Student Loan Interest Adjustment. See page E-17.
3. If box is checked, ask taxpayer for childcare provider's TIN.
4. Verify eligibility for Retirement Savings Contributions Credit. See page G-17.
5. See page D-83 for information on how to enter taxable scholarships that are not reported on Form W-2. See Tab J to compare credits and adjustments.
6. Volunteer must confirm if taxpayer was eligible for HSA contributions and whether distributions were used for qualified medical expenses. See Health Saving Accounts (HSAs) on page E-10 for more guidance.
7. Taxpayer must provide Form 1095-A if receiving insurance through the Marketplace.
8. See Residential Energy Credits on page G-26 for guidance on Form 5695, Part II. Form 5695, Part I, Residential Clean Energy Credit is Out of Scope.
9. Determine if a vehicle purchase qualifies for the Qualified Car Loan Interest Deduction (see page F-21) or Sales Tax Itemized Deduction (see page F-13). Clean vehicles purchased between 1/1/25 and 9/30/25 that qualify for the Clean Vehicle Credit are Out of Scope, even if credit was transferred to the dealer.
10. Check for tax benefits for declared disaster areas. See pages D-66 and M-13.
11. See page I-8 for the listed credits, see Tab J for education credits, or see Tab G for other credits for impact on any credits for this year.
12. Determine if the letter may impact the return and refer taxpayer to any available resource if help is needed.
13. Ask taxpayer for a copy of last years return to locate necessary information.

Form 13614-C Job Aid for Volunteers (Page 4)

Page 4

Optional Information 1

The following information is for statistical purposes only. Your responses to these questions are not a part of your tax return and are not transmitted to the IRS with your tax return. You are not required to answer these questions.

1. Would you say you can carry on a conversation in English	☐ Very well	☐ Well	☐ Not well	☐ Not at all	☐ Prefer not to answer
2. Would you say you can read a newspaper in English	☐ Very well	☐ Well	☐ Not well	☐ Not at all	☐ Prefer not to answer
3. Do you or any member of your household have a disability	☐ Yes	☐ No	☐ Prefer not to answer		
4. Are you or your spouse a Veteran of the U.S. Armed Forces	☐ Yes	☐ No	☐ Prefer not to answer		

5. What is your race and/or ethnicity? Select all that apply	6. What is your spouse's race and/or ethnicity? Select all that apply
☐ **American Indian or Alaska Native** (for example, Navajo Nation, Blackfeet Tribe of the Blackfeet Indian Reservation of Montana, Native Village of Barrow Inupiat Traditional Government, Nome Eskimo Community, Aztec, Maya, etc.)	☐ **American Indian or Alaska Native** (for example, Navajo Nation, Blackfeet Tribe of the Blackfeet Indian Reservation of Montana, Native Village of Barrow Inupiat Traditional Government, Nome Eskimo Community, Aztec, Maya, etc.)
☐ **Asian** (for example, Chinese, Asian Indian, Filipino, Vietnamese, Korean, Japanese, etc.)	☐ **Asian** (for example, Chinese, Asian Indian, Filipino, Vietnamese, Korean, Japanese, etc.)
☐ **Black or African American** (for example, African American, Jamaican, Haitian, Nigerian, Ethiopian, Somali, etc.)	☐ **Black or African American** (for example, African American, Jamaican, Haitian, Nigerian, Ethiopian, Somali, etc.)
☐ **Hispanic or Latino** (for example, Mexican, Puerto Rican, Salvadoran, Cuban, Dominican, Guatemalan, etc.)	☐ **Hispanic or Latino** (for example, Mexican, Puerto Rican, Salvadoran, Cuban, Dominican, Guatemalan, etc.)
☐ **Middle Eastern or North African** (for example, Lebanese, Iranian, Egyptian, Syrian, Iraqi, Israeli, etc.)	☐ **Middle Eastern or North African** (for example, Lebanese, Iranian, Egyptian, Syrian, Iraqi, Israeli, etc.)
☐ **Native Hawaiian or Pacific Islander** (for example, Native Hawaiian, Samoan, Chamorro, Tongan, Fijian, Marshallese, etc.)	☐ **Native Hawaiian or Pacific Islander** (for example, Native Hawaiian, Samoan, Chamorro, Tongan, Fijian, Marshallese, etc.)
☐ **White** (for example, English, German, Irish, Italian, Polish, Scottish, etc.)	☐ **White** (for example, English, German, Irish, Italian, Polish, Scottish, etc.)

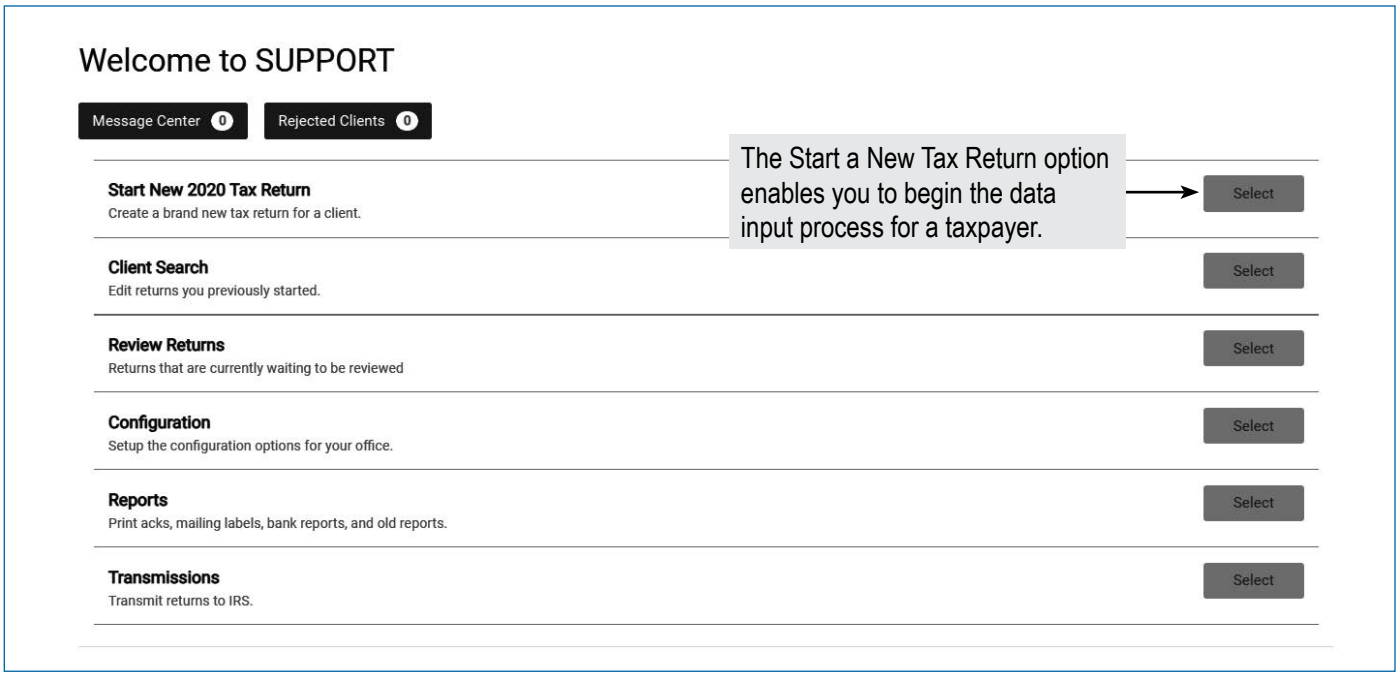
1. The questions on Page 4 are optional. The information above is for statistical purposes only. Taxpayer responses to these questions are not a part of their tax return and are not transmitted to the IRS with their tax return. Taxpayers are not required to answer these questions. The taxpayer has the option to leave this page blank or select "Prefer not to answer."

Form 13614-C Job Aid for Volunteers (Page 5)

Page 5

Additional Notes/Comments 2

2. Preparer can leave notes for quality reviewer. Taxpayer can list additional names for anyone living with them last year (except their spouse) or anyone they supported but did not live with them last year.



These options will not appear for all users. Your screen may have different options based on the roles and permissions you are assigned.

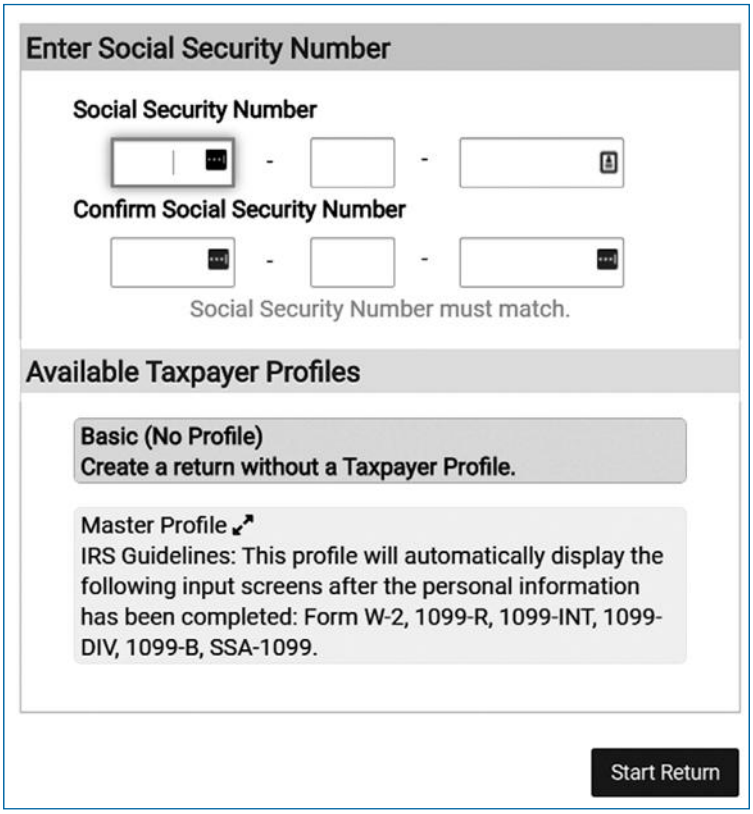
Social Security Number Entry

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

If the SSN is already in use, the software will display an error message. Talk to your site coordinator. The software will also display an error message if the two entries don't match. In this instance, make the necessary corrections.

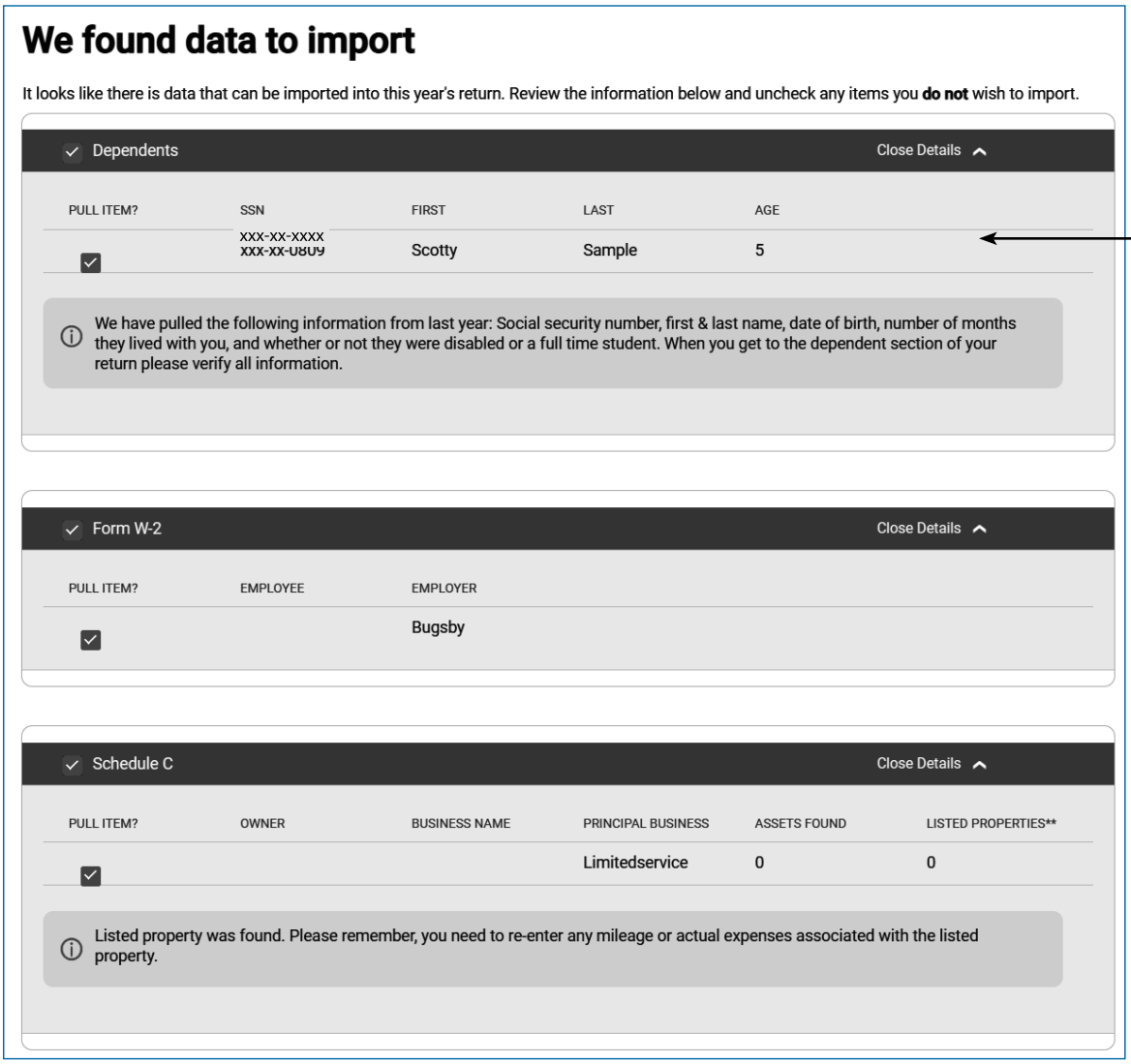
To create a return for a taxpayer without an SSN/ITIN that will be completing a Form W-7, Application for ITIN, enter an SSN of 000-00-0000. See page L-10 for more details.

All returns are completed using:
Basic (No Profile)
Create a return without a Taxpayer Profile.

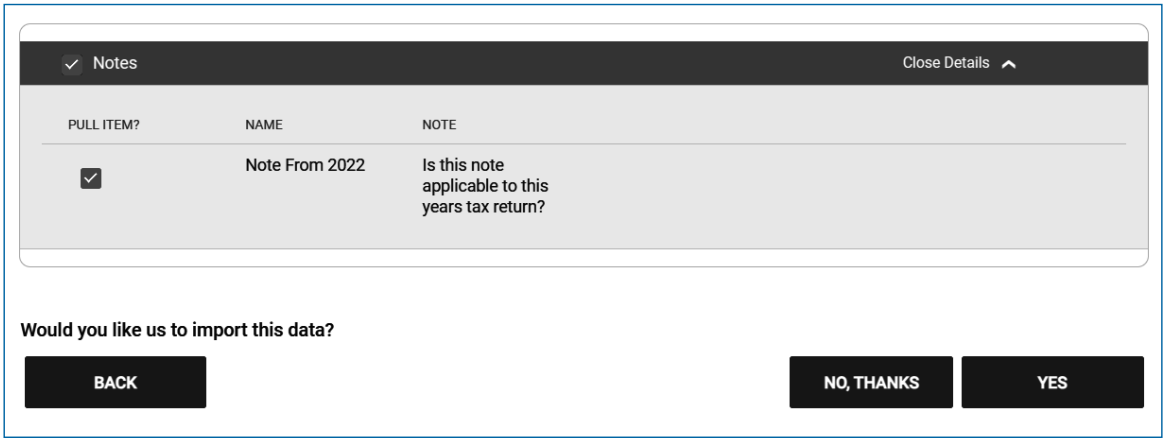


Carryforward of Prior Year Data

TaxSlayer will offer to **carryforward prior year data** if a return with this primary SSN was prepared at the same site last year, or at any site if the Global Carry Forward Consent was accepted (see page K-10).



Uncheck the boxes for the items that you do not want to pull forward. Forms that are carried forward and not used will need to be deleted

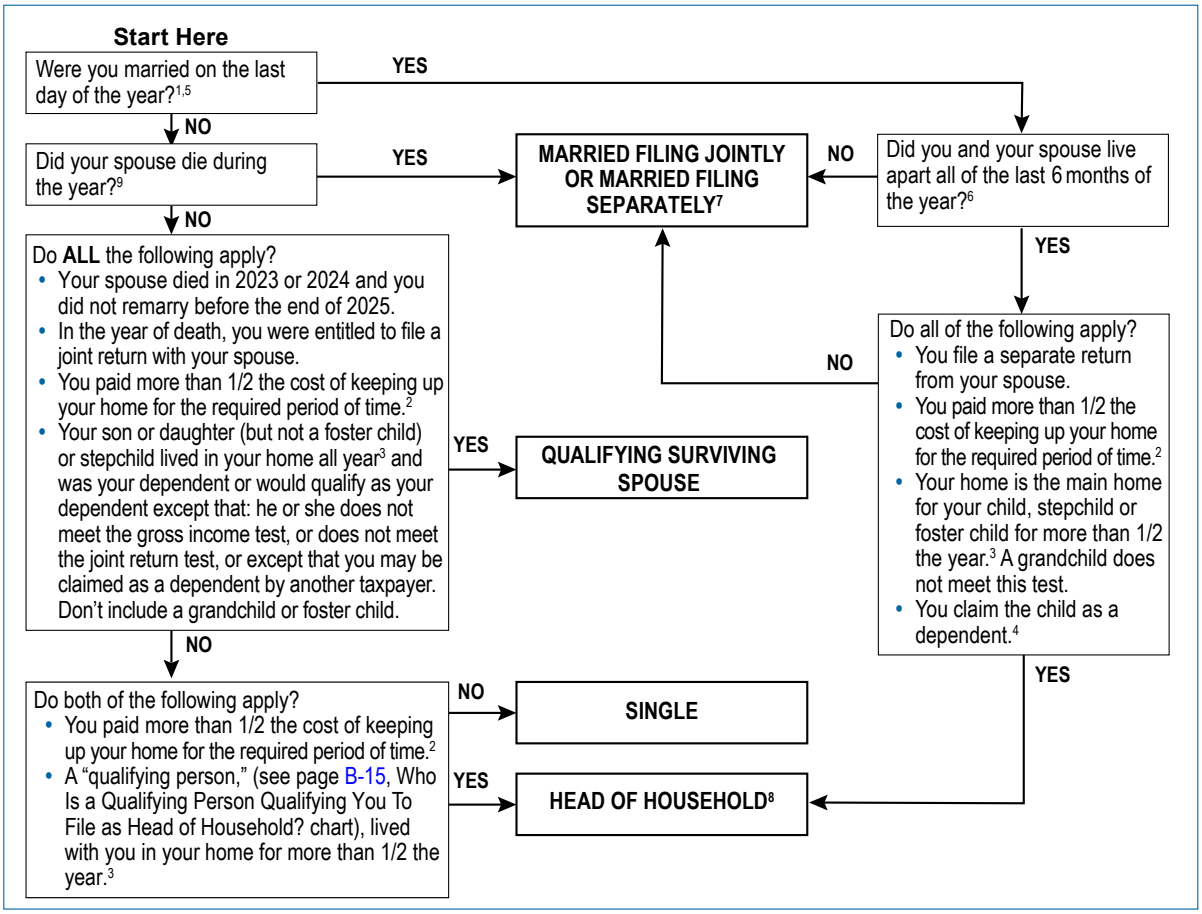


⚠ Be sure to verify that all EINs and addresses on Forms W-2 and 1099-R are still the same as the prior year when using carryforward.

Determination of Filing Status – Decision Tree

Use the **Qualifying Child or Relative Resource Tool** to determine all the benefits for a taxpayer.

See page B-17 for TaxSlayer entries. Do NOT use the TaxSlayer Filing Status Wizard.



1. Answer "NO" to this question if, on the last day of the year, you were legally separated from your spouse under a divorce or separate maintenance decree. Answer "NO" for individuals who have entered into a registered domestic partnership, civil union, or other similar relationship that is not called a marriage under state (or foreign) law. Answer YES if taxpayer is married regardless of where the spouse lives.
2. Include in the cost of upkeep expenses such as rent, mortgage interest, real estate taxes, insurance on the home, repairs, utilities and food eaten in the home. Under proposed regulations, a taxpayer may treat a home's fair market rental value as a cost of maintaining a household instead of the sum of payments for mortgage interest, property taxes and insurance. See "Cost of Keeping Up a Home" worksheet on page B-16.
3. See **Publication 17**, Your Federal Income Tax (For Individuals), Filing Status, for rules applying to birth, death, or temporary absence during the year. For Head of Household, if the qualifying person is your dependent parent, your dependent parent doesn't have to live with you. See the Who Is a Qualifying Person Qualifying You To File as Head of Household? Chart on page B-15.
4. Unless the child's other parent claims him or her under rules for children of divorced or separated parents or parents who lived apart. See page C-8.
5. If your spouse was a nonresident alien at any time during the year, you are considered unmarried for head of household purposes only if you do not choose to treat your nonresident spouse as a resident alien. See page L-7, footnote 8. However, your spouse is not a qualifying person for head of household purposes. You must have another qualifying person (see the Who Is a Qualifying Person Qualifying You To File as Head of Household? chart on page B-15) and meet the other tests to be eligible to file as a head of household.
6. Your spouse is considered to live in your home even if he or she is temporarily absent due to illness, education, business, vacation, military service, or incarceration. It must be reasonable to assume the absent person will return to the home after the temporary absence.
7. If the taxpayer wants to file MFS, emphasize the advantages to Married Filing Jointly and the possibility of filing Form 8379, Injured Spouse Allocation (if appropriate). See page B-18 and see **Pub 17**, Filing Status, MFS Special Rules for list of disadvantages. Respect a taxpayer's decision to file MFS. If domiciled in a community property state see **Pub 555**, Community Property and Tax-Aide **Guidance for Married Taxpayer not filing MFJ in Community Property State**.
8. There may be multiple filing statuses (for example, two families filing head of household or one family filing married filing jointly and another head of household) in shared living quarters if each household meets their determined filing requirements.
9. If your spouse died during the year, you are considered married for the whole tax year for filing status purposes. If you didn't remarry before the end of the year, you can file a joint return for yourself and your deceased spouse. If you remarried before the end of the tax year, you can file a joint return with your new spouse. In that case, your deceased spouse's filing status is married filing separately for that year.

Filing Status – Interview Tips

Step	Probe or Ask the taxpayer:	Action
1	Were you married on December 31 of the tax year?[6] You are considered unmarried if, on the last day of the year, you were legally separated from your spouse under a divorce or separate maintenance decree. State law governs whether you are married or legally separated under a divorce or separate maintenance decree. Individuals who have entered into a registered domestic partnership, civil union, or other similar relationship that is not called a marriage under state (or foreign) law are not considered married. A taxpayer is married regardless of where the spouse lives.	If **YES**, go to Step 2. If **NO**, go to Step 4.
2	Do you and your spouse wish to file a joint return?[2] See page B-18 for more information about Married Filing Separately (MFS).	If **YES**, your filing status is **married filing jointly**. If **NO**, go to Step 3.
3	Do all the following apply? • You file a separate return from your spouse • You paid more than half the cost of keeping up your home for the required period of time.[1] • Your spouse didn't live in your home during the last 6 months of the tax year[3] • Your home was the main home of your child, stepchild, or foster child for more than half the year (a grandchild doesn't meet this test). For rules applying to birth, death or temporary absence during the year, see Publication 17 • You claim an exemption for the child (unless the noncustodial parent claims the child under rules for divorced or separated parents or parents who live apart)	If **YES**, STOP. You are considered unmarried and your filing status is **head of household**[7]. If **NO**, STOP. Your filing status is **married filing separately**[5].
4	Did your spouse die in 2023 or 2024?	If **YES**, go to Step 5. If **NO**, go to Step 6.
5	Do all the following apply? • You were entitled to file a joint return with your spouse for the year your spouse died • You didn't remarry before the end of this tax year • You have a child or stepchild who lived with you all year, except for temporary absences or other limited exceptions, and who is your dependent or who would qualify as your dependent except that: he or she does not meet the gross income test, does not meet the joint return test, or except that you may be claimed as a dependent by another taxpayer. Don't include a grandchild or foster child. • You paid more than half the cost of keeping up the home for the required period of time.[1]	If **YES**, STOP. Your filing status is **qualifying surviving spouse**. If **NO**, go to Step 6.
6	Do both of the following apply? • You paid more than 1/2 the cost of keeping up your home for the required period of time.[1] • A "qualifying person," (see Who Is a Qualifying Person Qualifying You To File as Head of Household? chart on the next page), lived with you in your home for more than 1/2 the year. If the qualifying person is your dependent parent, your dependent parent doesn't have to live with you.[4]	**YES** – Head of Household[7] **NO** – Single

1. Include in the cost of upkeep expenses such as rent, mortgage interest, real estate taxes, insurance on the home, repairs, utilities and food eaten in the home. Under proposed regulations, a taxpayer may treat a home's fair market rental value as a cost of maintaining a household instead of the sum of payments for mortgage interest, property taxes and insurance. See "Cost of Keeping Up a Home" worksheet on page B-16.
2. If your spouse was a nonresident alien at any time during the year, you are considered unmarried for head of household purposes only if you do not choose to treat your nonresident spouse as a resident alien. See page L-7, footnote 8. However, your spouse is not a qualifying person for head of household purposes. You must have another qualifying person (see Who Is a Qualifying Person Qualifying You To File as Head of Household? chart on page B-15) and meet the other tests to be eligible to file as a head of household.
3. Your spouse is considered to live in your home even if he or she is temporarily absent due to illness, education, business, vacation, military service, or incarceration. It must be reasonable to assume the absent person will return to the home after the temporary absence.
4. You can't use head of household filing status based on any person who is your dependent only because he or she lived with you for the entire year (for example, a companion or a friend).
5. If filing a MFS return in a community property state, allocate income and expense according to state law. This situation may be treated as Out of Scope. See Tax-Aide Guidance for Married Taxpayer not Filing MFJ in Community Property State.
6. If your spouse died during the year, you are considered married for the whole year for filing status purposes. If you didn't remarry before the end of the year, you can file a joint return for yourself and your deceased spouse. If you remarried before the end of the tax year, you can file a joint return with your new spouse. In that case, your deceased spouse's filing status is married filing separately for that year.
7. There may be multiple filing statuses (for example, two families filing head of household or one family filing married filing jointly and another head of household) in shared living quarters if each household meets their determined filing requirements.

Who Is a Qualifying Person Qualifying You To File as Head of Household?[1]

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

IF the person is your...	AND...	THEN that person is...
qualifying child (such as your child, or grandchild who lived with you more than half the year and meets certain other tests)[2]	the child is single	a qualifying person, whether or not the child meets the Citizen or Resident Test[7].
	the child is married and you can claim the child as a dependent	a qualifying person.
	the child is married and you can't claim the child as a dependent	not a qualifying person[3].
qualifying relative[4] who is your father or mother	you can claim your parent as a dependent[5]	a qualifying person[6].
	you can't claim your parent as a dependent	not a qualifying person.
qualifying relative[4] other than your father or mother (such as a grandparent, or sibling who meets certain tests).	your relative lived with you more than half the year, and you can claim them as a dependent, and is one of the following: child, stepchild, foster child, or a descendant of any of them; sibling, half sibling or a child of any of them; an ancestor or sibling of your parent; or stepsibling, stepparent, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law or sister-in-law[5]	a qualifying person.
	your relative didn't live with you more than half the year	not a qualifying person.
	your relative isn't related to you in one of the ways listed above and is your qualifying relative only because your relative lived with you all year as a member of your household (for example, a companion or a friend)	not a qualifying person.
	you can't claim your relative as a dependent	not a qualifying person.

1. A person can't qualify more than one taxpayer to use the head of household filing status for the year.
2. The term "qualifying child" is covered in Tab C, Dependents. Note: If you are a noncustodial parent, the term "qualifying child" for head of household filing status doesn't include a child who is your dependent only because of the rules described in the Children of Divorced or Separated Parents table on page C-8. If you are the custodial parent and those rules apply, the child generally is your qualifying child for head of household filing status even though the child isn't a qualifying child who you can claim as a dependent. A grandchild is not a qualifying person for head of household status if the taxpayer is married filing a separate return from their spouse.
3. This person is a qualifying person if the only reason you can't claim the person as a dependent is that you, or your spouse if filing jointly, can be claimed as a dependent on someone else's return.
4. The term "qualifying relative" is covered in Tab C, Dependents.
5. If you can claim a person as a dependent only because of a multiple support agreement, that person isn't a qualifying person. See Multiple Support Agreement, in Publication 17.
6. You are eligible to file as head of household even if your parent, whom you can claim as a dependent, doesn't live with you. You must pay more than half the cost of keeping up a home that was the main home for the entire year for your parent. This test is met if you pay more than half the cost of keeping your parent in a rest home or home for the elderly.
7. The Citizen or Resident Test states: You generally can't claim a person as a dependent unless that person is a U.S. citizen, U.S. resident alien, U.S. national, or a resident of Canada or Mexico.

Cost of Keeping Up a Home

Keep for Your Records

	Amount You Paid	Total Cost
Property taxes*	$_____	$_____
Mortgage interest expenses*	$_____	$_____
Rent	$_____	$_____
Home repairs/maintenance	$_____	$_____
Utility charges	$_____	$_____
Property insurance*	$_____	$_____
Food eaten in the home	$_____	$_____
Other household expenses	$_____	$_____
Fair market rental value*	$_____	$_____

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

Totals	$_____	$_____
Minus total amount you paid		(_____)
Amount others paid		$_____

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

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

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

Payments received under Temporary Assistance for Needy Families or other public assistance programs used to pay the costs of keeping up the home can be counted as money you paid. Amounts paid out of funds received in the child's or qualifying person's name, such as Social Security, are considered paid by the child, not you.

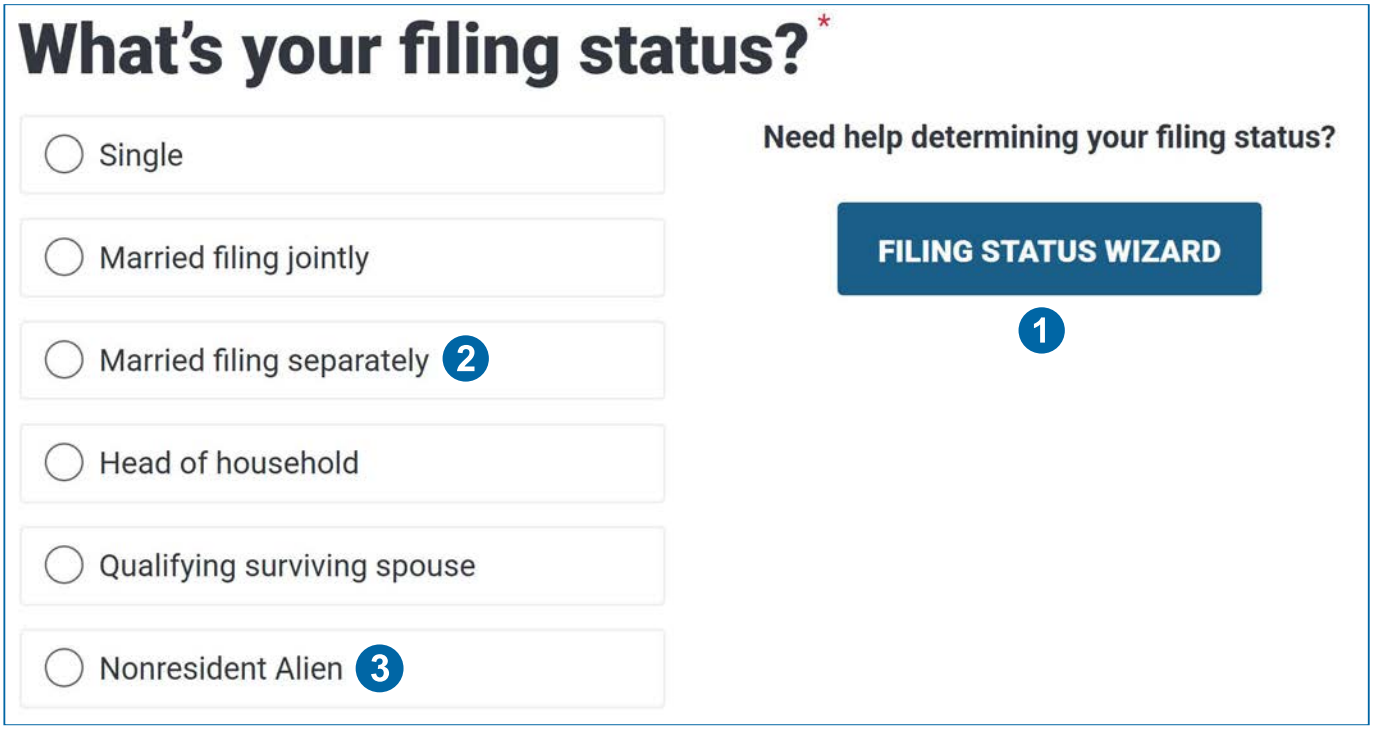
Relevant period of time can be less than a year if spouses separate during the year. Prorate costs as needed; partial month counts as a full month. The time period begins when taxpayer and a qualifying child reside in the same household and the spouse does not.

Entering Filing Status

Basic Information>Filing Status

After collecting necessary information from Form 13614-C, Intake/Interview and Quality Review Sheet, and properly applying the tax law, you should choose the taxpayer's filing status.

If the taxpayer's spouse died during the year, the taxpayer is considered married for the whole year for filing status purposes. If the taxpayer didn't remarry before the end of the tax year, a joint return can be filed for the taxpayer and deceased spouse. If remarried before the end of the tax year, taxpayer can file a joint return with the new spouse. The deceased spouse's filing status is Married Filing Separately for that year.



TaxSlayer will delete the state return if you change the filing status or the state residency.

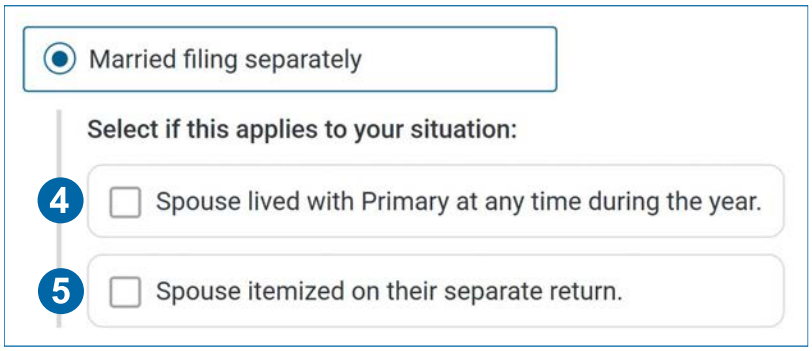
1. Do not use the Filing Status Wizard. Use the **Qualifying Child or Relative Resource Tool** or see page B-13 to determine the correct filing status.
2. See next page for taxpayers who are Married Filing Separately.
3. Most nonresident aliens have different filing requirements and may have to file Form 1040-NR, U.S. Nonresident Alien Income Tax Return. Form 1040-NR is in scope only with Foreign Student certification and only for the criteria described in the **Tax-Aide Scope Manual**. See Tab L for information on determining if a taxpayer is a Resident or Non-Resident Alien for U.S. Tax Purposes.

Resident aliens generally are taxed the same as U.S. citizens. Dual status aliens are Out of Scope.

Entering Filing Status (cont'd)

If Married Filing Separately (MFS) is selected as the filing status, two additional checkboxes appear:

4. If the MFS taxpayer lived with their spouse at any time during the year, that will impact their return in a number of ways; for example, they:
   - Must include 85% percent of Social Security or Tier 1 Railroad Retirement benefits in taxable income
   - Can't claim the credit for the elderly or the disabled



5. An MFS taxpayer cannot claim the standard deduction if their spouse itemizes, regardless of who files first. Checking this box will force itemization (see #1 on page F-7).

Individuals who are married and living apart but not legally separated under a decree of divorce or separate maintenance are considered married for federal tax purposes. Individuals who are married in a foreign country are married for federal tax purposes if the relationship would be recognized as marriage under the laws of at least one state, possession, or territory of the United States, regardless of domicile. Individuals are **not** lawfully married for federal tax purposes if they have entered into a registered domestic partnership, civil union, or other similar formal relationship not denominated as marriage under the applicable domestic or foreign law where such relationship was entered into, regardless of domicile.

While there are legitimate reasons for married taxpayers to file separately, there are also drawbacks. A limited list is provided here. It is not all-inclusive and is provided for informational purposes only. In addition to #4 and #5 above, taxpayers filing married filing separately:

- Can't claim American opportunity credit, lifetime learning credit or the student loan interest deduction
- Can't claim either the child and dependent care credit or the earned income credit unless the taxpayer meets the requirements to be considered unmarried
- Are limited to $1,500 in capital losses
- Who lived with the spouse at any time during the year have a modified adjusted gross income (MAGI) limit for contributions to Roth IRAs of $10,000
- Who is covered, or whose spouse is covered, by a retirement plan at work have a MAGI limit for deductible contributions to traditional IRAs of $10,000

See page M-12 if taxpayers opt to file an injured spouse allocation rather than filing separately.

To make an MFJ to MFS comparison for federal, navigate in TaxSlayer to Miscellaneous Forms>MFJ vs MFS Comparison, or use the **Estimated Tax Worksheet with MFJ/MFS Comparison** in the **Colorado Resource Toolbox**.

Entering the Last Name Correctly

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

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

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

Name Controls for Individual Tax Returns

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

Examples: Individual Name Primary/Secondary Name Control

Individual Name on SSN/ITIN Card(s)	Enter in TaxSlayer		IRS Database Primary/ Secondary Name Control
	First Name Field	Last Name Field	
John Brown	John	Brown	BROW
Walter Di Angelo	Walter	Di Angelo	DIAN
Ronald En, Sr.	Ronald	En	EN
Thomas Lea-Smith	Thomas	Lea-Smith	LEA-
Joseph Corn & Mary Smith	Joseph	Corn	CORN
	Mary	Smith	SMIT
Roger O'Neil	Roger	ONeil	ONEI
Kenneth McCarty	Kenneth	McCarty	MCCA
FNU Smith (First Name Unknown)	FNU	Smith	SMIT
Smith (No First Name)		Smith	SMIT

2. Consider certain suffixes as part of the last name (i.e., Armah-Bey, Paz-Ayala, Allar-Sid). Particular attention must be given to those names that incorporate a mother's maiden name as a suffix to the last name. For example, traditional Hispanic last names include the taxpayer's father's name followed by a space and the taxpayer's mother's maiden name. A married taxpayer's last name remains the same and either simply adds on the spouse's father's name (resulting in 3 names forming the last name) or deletes the mother's maiden name and adds on the spouse's father's name (sometimes the spouse's father's name is preceded by "de").

Examples: Individual Name Primary Name Control

Individual Name on SSN/ ITIN Card	Enter in TaxSlayer		IRS Database Primary Name Control
	First Name Field	Last Name Field	
Abdullah Allar-Sid	Abdullah	Allar-Sid	ALLA
Jose Alvarado Nogales	Jose	Alvarado Nogales	ALVA
Juan de la Rosa Y Obregon	Juan	de la Rosa Y Obregon	DELA
Pedro Paz-Ayala	Pedro	Paz-Ayala	PAZ-
Donald Vander Neut	Donald	Vander Neut	VAND
Otto Von Wodtke	Otto	Von Wodtke	VONW
John Big Eagle	John	Big Eagle	BIGE
Mary Her Many Horses	Mary	Her Many Horses	HERM
Ted Smith Gonzalez	Ted	Gonzalez	GONZ
Maria Acevedo Smith	Maria	Smith	SMIT
Robert Garcia Garza Hernandez	Robert	Garza Hernandez	GARZ

Please note that these are examples for how the name is shown on a return. Asking the taxpayer how their name was shown on their return if they filed the previous year may help prevent a reject.

3. Below are examples of Indo-Chinese last names and the derivative Name Control. Some Indo-Chinese names have only two characters. Indo-Chinese names often have a middle name of “Van” (male) or “Thi” (female).

Examples: Individual Name Primary/Secondary Name Control

Individual Name on SSN/ ITIN Card	Enter in TaxSlayer		IRS Database Primary Name Control
	First Name Field	Last Name Field	
Binh To La	Binh	La	LA
Kim Van Nguyen	Kim	Nguyen	NGUY
Nhat Thi Pham	Nhat	Pham	PHAM
Jin Zhang Qui & Yen Yin Chiu	Jin Zhang	Qui	QUI
	Yen Yin	Chiu	CHIU

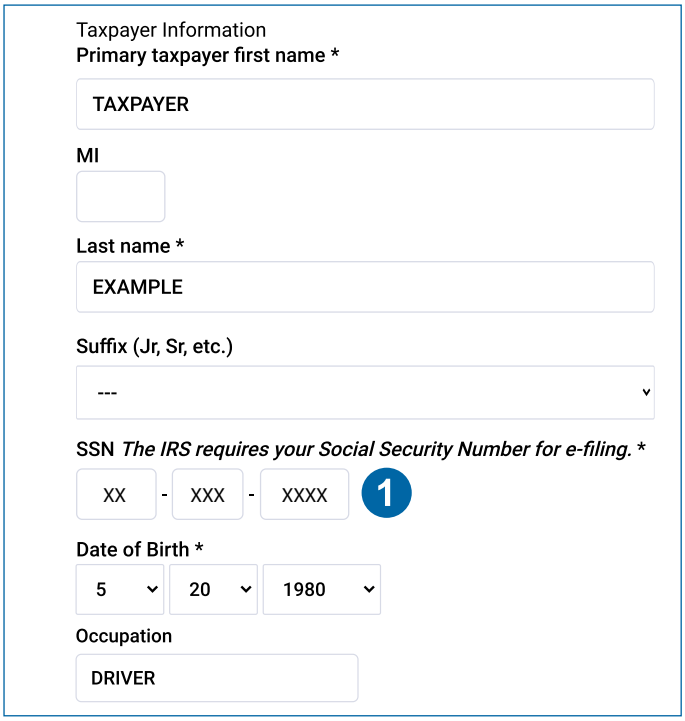
Social Security cards issued after September 7, 2007, will always print the cardholder's name on two lines, with the last name printed directly below the first and middle names.

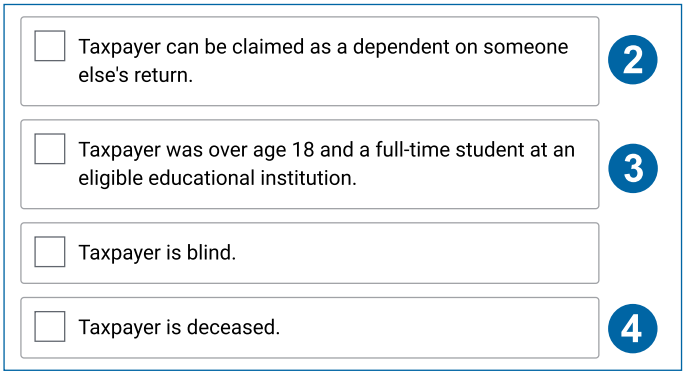
Entering Personal Information

Basic Information>Personal Information

The input screens below gather the taxpayer's personal information.

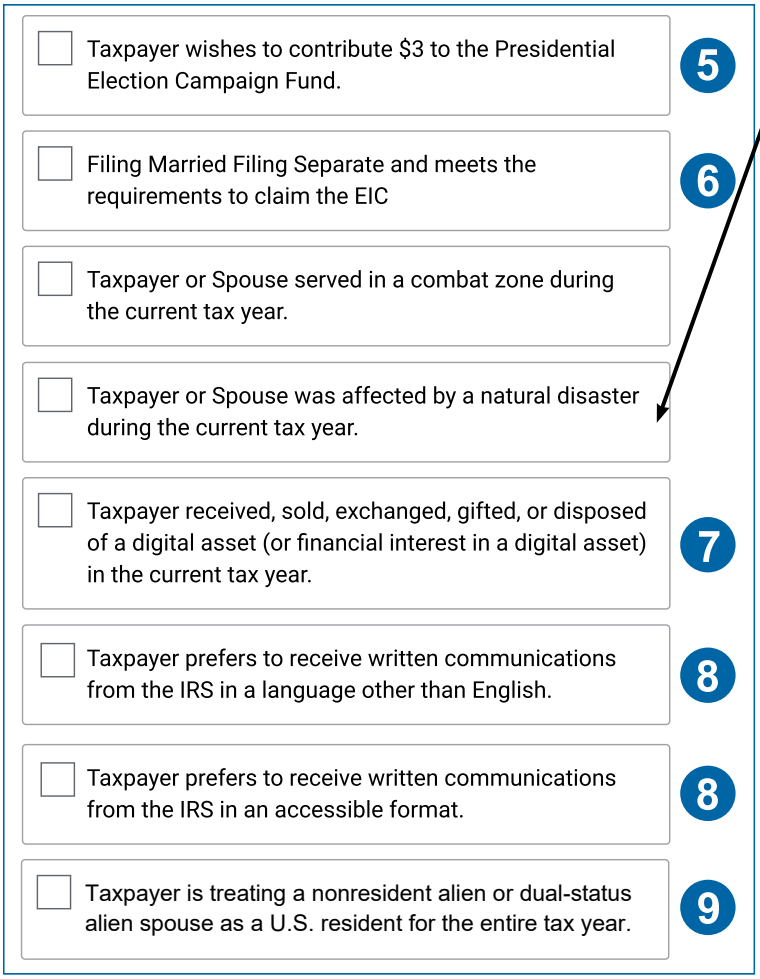
If a taxpayer is deceased, make the surviving spouse the primary taxpayer so their information will carryover in the next year.





1. If you incorrectly entered the SSN when you started the return, you can correct it here.
2. Check the box if another taxpayer can claim this person as a dependent. After checking this box you will need to answer Yes/No to "Taxpayer is claimed as a dependent on someone else's return."
3. Check the box if the taxpayer was over age 18 and was a full-time student during some part of each of any 5 calendar months of the year. This will automatically prevent the creation of Form 8880, Credit for Qualified Retirement Savings Contributions.
4. Check the Taxpayer is deceased box to generate a Date of Death box, which must be completed. The word Deceased and the date of death will print next to the deceased person's name at the top of Form 1040 page 1, as required by the IRS.

Entering Personal Information (cont'd)



Checking this box allows a disaster designation to be entered, which will be included in the e-file and the top margin of Form 1040 and certain state returns. This is generally not required, as the IRS identifies taxpayers located in federally declared disaster areas by their ZIP code and automatically applies filing and payment relief.

Affected taxpayers who are located outside the disaster area must call the IRS at 866-562-5227 to self-identify for disaster relief. For more details on affected taxpayers and relief provided, refer to **Tax Topic no. 107**. See also page D-66 for additional important disaster information.

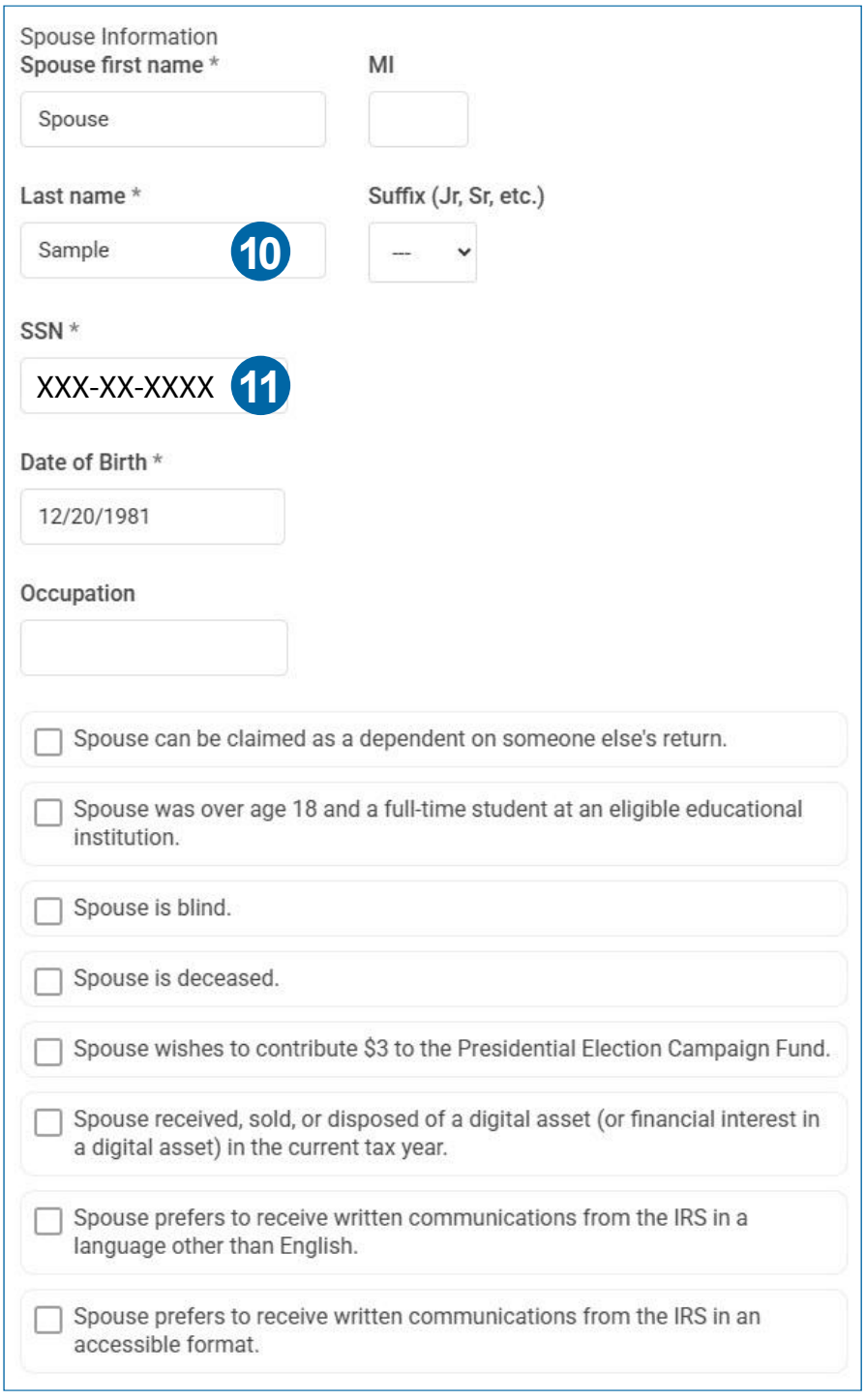
Some states may request that the disaster box be checked for state tax purposes. Follow any additional direction received from your District or State Coordinator.

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

5. Checking the “yes” box will have $3 go to the Presidential Election Campaign Fund, which also helps pay for pediatric medical research. Checking this box does not increase the amount of tax that taxpayers owe, nor does it decrease any refund to which they are entitled.
6. This option will only appear if MFS filing status is selected. See page I-4, footnote 4, Summary of EIC Eligibility Requirements.
7. The return is Out of Scope if the taxpayer must check the box. Taxpayers are not required to check the box if they held no virtual currency for the tax year or if the taxpayer’s only transactions involving digital assets (virtual currency) during the tax year were purchases of virtual currency with real currency.
8. Taxpayers may choose to receive written communications from IRS in a language other than English or in an accessible format. Check the box and select the language or format from the drop down menu.
9. Check this box if the taxpayer was a U.S. citizen or resident at the end of the tax year who was married to a nonresident alien spouse, and they have elected to treat the spouse as a U.S. resident for the entire tax year. Volunteer may not advise on making this election. Choosing to make this election and preparing a required statement as described in **Publication 519** is the responsibility of the taxpayer and spouse. For more details, see page L-7, footnote 8, Resident or Nonresident Alien Decision Tree/ Chart. Dual-status aliens are Out of Scope (see page L-6, footnote 1).

Entering Personal Information (cont'd)

Identity Protection PINs are entered in the Miscellaneous Forms Menu or in the Basic Information section.

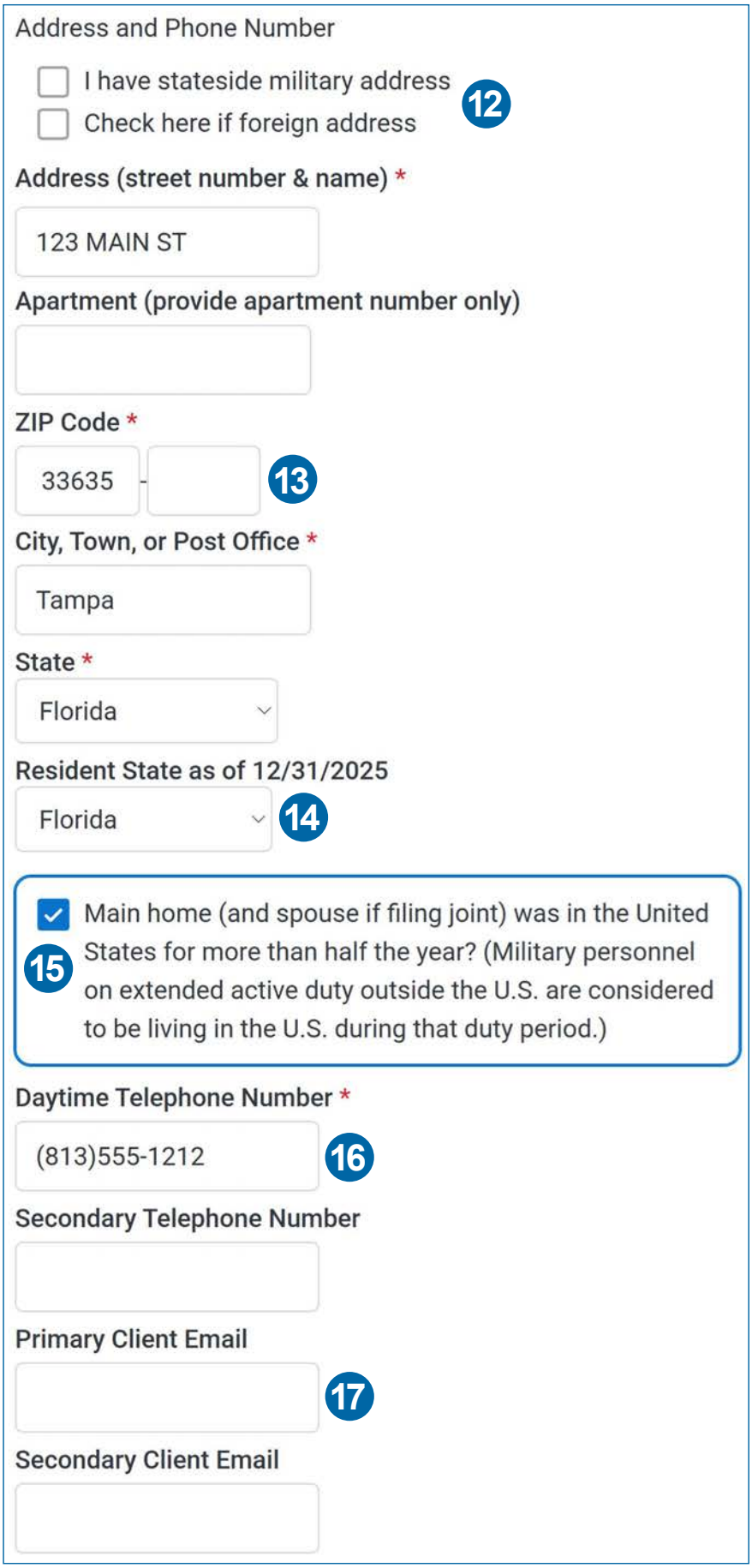


10. Verify the spouse's last name with their Social Security card. If different from the taxpayer's, correct the auto-filled entry.

11. Enter spouse's SSN. If the taxpayer is filing MFS and does not know the SSN of the spouse, enter the spouse's SSN as 111-00-1111. You may leave the spouse's DOB blank.

Without the spouse's actual SSN, the return must be marked for paper filing. It will be rejected if filed electronically.

Entering Personal Information (cont'd)



12. Check the military or foreign address boxes if they apply.

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

14. Select taxpayer's state of residency. Once chosen, selecting **Continue** will prompt the state questions. The program will create the state return based on the state selected and automatically transfer basic information into the state return for you. Any additional states that are needed will be selected within the State Return section of the return. If a taxpayer lived in more than one state during the year, enter the state he or she lived in with the highest federal poverty line (FPL) figure. See page H-26 for the FPL that will be used to make ACA calculations. If there isn't a state return to complete, select **None** from the list.

For Military Certification – Ask taxpayer their state of legal residence. The civilian spouse of an active duty service member, under Military Spouses Residency Relief Act (MSRRA) can choose to keep their prior residence or domicile for tax purposes (tax residence) when accompanying the service member spouse, who is relocating under military orders, to a new military duty station in one of the 50 states, the District of Columbia, or a U.S. territory. Before relocating, both spouses must have the same tax residence.

15. Ensure this box is checked when applicable. This impacts on the eligibility to claim certain tax benefits, including the earned income credit (EIC).

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

17. Enter the email address for an option to send the taxpayer a link to the Customer Portal. See page K-13.

Entering Dependent/Qualifying Person

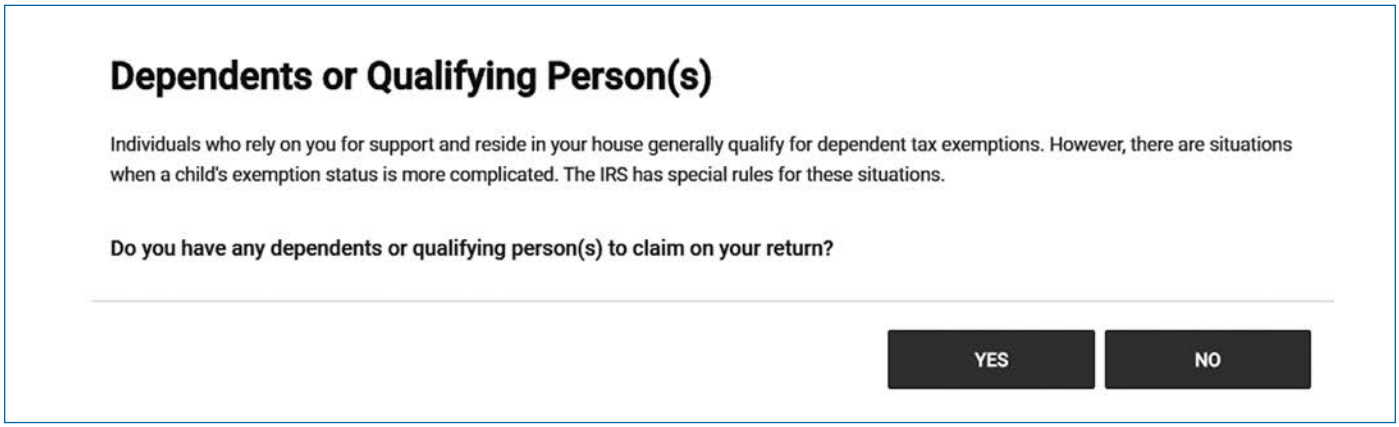
Basic Information>Dependents/Qualifying Person

To determine if a person qualifies as the taxpayer's dependent or qualifying person, see Tab C, Dependents. Alternatively, use the **Qualifying Child or Relative Resource Tool** or the **Dependent Qualification Calculator** in the **Colorado Resource Toolbox** to determine if the individual is a qualifying child or qualifying relative and for all the benefits for the taxpayer. Enter non-dependents that qualify the taxpayer for the earned income credit or the qualifying surviving spouse or head of household filing statuses in this section.

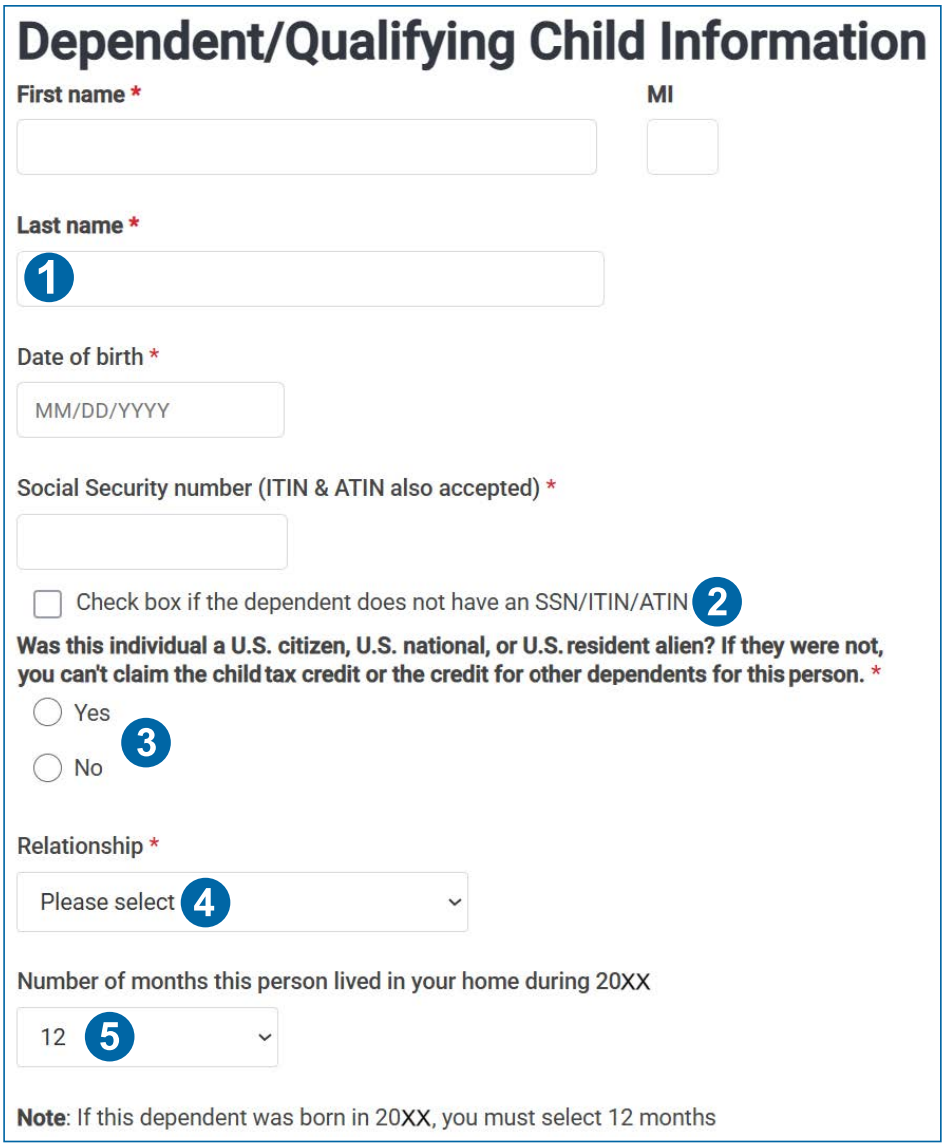
In order for the IRS to accept the tax return electronically, ensure that

- The correct date of birth is entered
- The dependent's name is spelled correctly
- The correct Social Security number is entered

If any of these three items are entered incorrectly, the IRS will reject the tax return for electronic filing purposes.



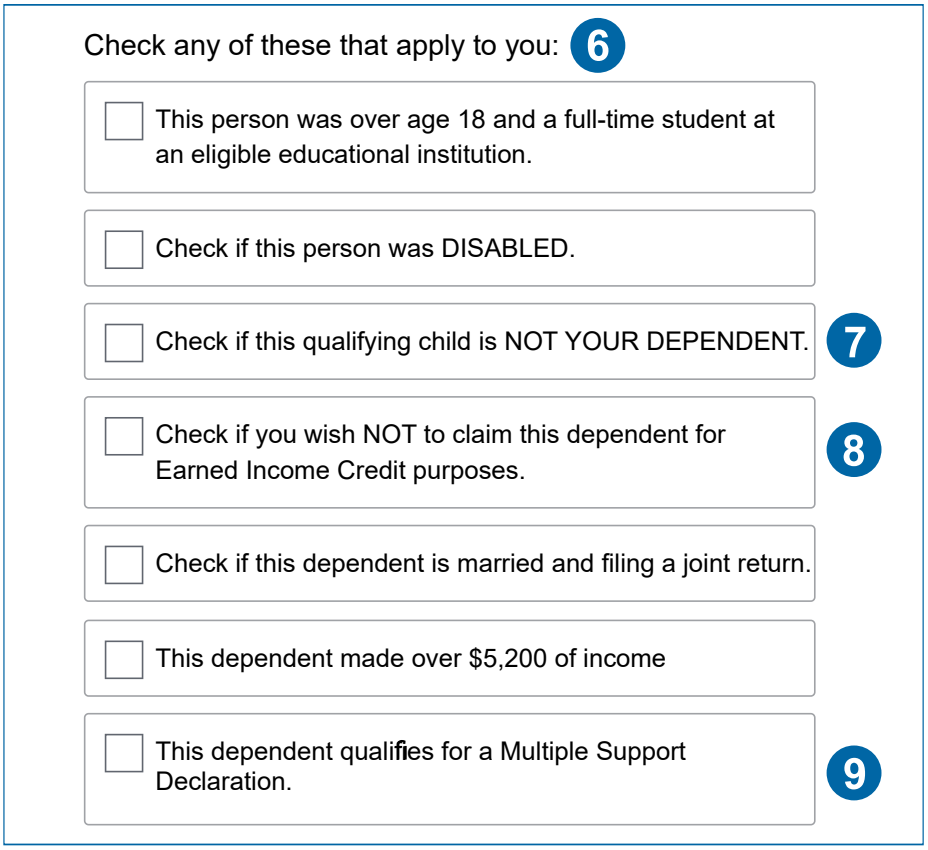
Entering Dependent/Qualifying Person (cont'd)



TaxSlayer relies on the combination of relationship, number of months in your home, and all of the check boxes to determine the correct tax treatment for this person.

1. The taxpayer's name carries forward to the dependent. Make changes as needed based on the dependent's Social Security card.
2. Select **Check box if the dependent does not have an SSN/ITIN/ATIN**, if applicable. If checked, the software will ask if the dependent will be completing a Form W-7, Application for ITIN. The Form W-7 is located in the Federal Section, Miscellaneous Forms. If not applying for an ITIN, answer no and enter the reason that the child does not have a TIN (such as the death of the child, which requires attaching a death certificate if e-filing).
3. Indicate whether the dependent is a U.S. citizen, U.S. national, or U.S. resident alien, ensuring that you make any necessary corrections if their information was carried forward.
4. If the taxpayer has a dependent whose relationship is not listed, pick the relationship that has the same tax treatment. For example, if the taxpayer's dependent is their great-grandchild, select **grandchild** for the relationship.
5. Use the drop down list to enter the number of months or select Lived in Mexico or Lived in Canada. Enter 12 months if the dependent was born or died during the year or was temporarily absent (school, vacation, etc.). If you are the noncustodial parent claiming your child as a dependent, select **Divorce/Separation** for the number of months. For a qualifying relative who did not live with the taxpayer more than 6 months, select **Other reasons** for the number of months.

Entering Dependent/Qualifying Person (cont'd)



6. Carefully read the selections under the “Check any of these that apply to you:” list. Check all that apply.
7. Select the **Check if this qualifying child is NOT YOUR DEPENDENT** box if:
   a. the child provides more than half of his or her own support but qualifies the taxpayer for EIC, or
   b. the noncustodial parent is claiming the dependent, but the child qualifies the taxpayer as head of household or for dependent care credit or EIC, or
   c. the child is not a dependent but qualifies the taxpayer as head of household or as a qualifying surviving spouse.
8. If the dependent is not your qualifying child for EIC, select **Check if you wish to NOT claim this dependent for Earned Income Credit purposes**. This is only needed on an exceptional basis. When applicable, this checkbox must be checked in addition to checking "Check if this qualifying person has a SSN that is not valid for employment." See Tab I for more information on the EIC.
9. If no one person contributed over half of the support of the taxpayer’s relative (or a person who lived with the taxpayer all year as a member of their household) but the taxpayer and another person(s) provided more than half of that person’s support, special rules may apply that would treat the taxpayer as having provided over half of the support. For details, see **Pub. 501**, Dependents, Standard Deduction, and Filing Information.

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

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

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

Tab C: Dependents

Overview of the Rules for Claiming a Dependent

This table is only an overview of the rules. For details, see **Publication 17**, Your Federal Income Tax (For Individuals),Tax-Aide's **Qualifying Child or Relative Resource Tool**, or the **Dependent Qualification Calculator** in the **Colorado Resource Toolbox**.

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

Tests To Be a Qualifying Child	Tests To Be a Qualifying Relative
1. The child must be your child, stepchild, foster child, sibling, half sibling, stepsibling, or a descendant of any of them. An adopted child is always treated as your own child. The term "adopted child" includes a child who was lawfully placed with you for legal adoption. 2. The child must be: (a) under age 19 at the end of the year and younger than you (or your spouse, if filing jointly), (b) under age 24 at the end of the year, a full-time student, and younger than you (or your spouse, if filing jointly), or (c) any age if permanently and totally disabled. 3. The child must have lived with you for more than half of the year.[2] 4. The child must not have provided more than half of his or her own support for the year.[5] 5. The child isn't filing a joint return for the year (unless that joint return is filed only to claim a refund of income tax withheld or estimated tax paid). 6. If the child meets the rules to be a qualifying child of more than one person, you must be the person entitled to claim the child as a qualifying child. See the "Qualifying Child of More Than One Person" chart on the next page.	1. The person can't be your qualifying child or the qualifying child of any other taxpayer. A child isn't the qualifying child of any other tax-payer if the child's parent (or any other person for whom the child is defined as a qualifying child) isn't required to file an income tax return or files an income tax return only to get a refund of income tax withheld. 2. The person either (a) must be related to you in one of the ways listed under "Relatives who don't have to live with you" (see Table 2, step 2), or (b) must live with you all year as a member of your household[2] (and your relationship must not violate local law). 3. The person's gross income for the year must be less than $5,200.[3] Gross income means all income the person received in the form of money, goods, property and services, that isn't exempt from tax. Don't include Social Security benefits unless the person is married filing a separate return and lived with their spouse at any time during the tax year or if 1/2 the Social Security benefits plus their other gross income and tax exempt interest is more than $25,000 ($32,000 if MFJ). 4. You must provide more than half of the person's total support for the year.[4, 5]

1. There is an exception for certain adopted children.
2. There are exceptions for temporary absences, children who were born or died during the year, children of divorced or separated parents or parents who live apart, and kidnapped children. If you obtained a final decree of divorce or separate maintenance during the year, you can't take your former spouse as a dependent. This rule applies even if you provided all of your former spouse's support.
3. There is an exception if the person is disabled and has income from a sheltered workshop.
4. There are exceptions for multiple support agreements, children of divorced or separated parents or parents who live apart, and kidnapped children.
5. A worksheet for determining support is provided later in this tab. If a person receives Social Security benefits and uses them toward his or her own support, those benefits are considered as provided by the person. Benefits provided by the state to a needy person are generally considered support provided by the state. A proposed rule on which taxpayers may choose to rely treats governmental payments made to a recipient that the recipient uses, in part, to support others as support of the others provided by the recipient, whereas any part of such payment used for the support of the recipient would constitute support of the recipient by a third party. For example, if a mother receives Temporary Aid for Needy Families (TANF) and uses the TANF payments to support her children, the proposed regulations treat the mother as having provided that support.

Qualifying Child of More Than One Person

Tiebreaker Rules
If the child meets the conditions to be the qualifying child of more than one person, only one person can claim the child as a qualifying child dependent for all tax benefits associated with an exemption unless the special rule for children of divorced or separated parents applies[1]. • Credit for other dependents • Child Tax Credit and Additional Child Tax Credit • Head of Household • Earned Income Credit • Credit for Child and Dependent Care Expenses • Exclusion from income for Dependent Care Benefits
No other person can take any of the six tax benefits listed above unless he or she has a different qualifying child. To determine which person can treat the child as a qualifying child to claim these six tax benefits, the following tiebreaker rules apply. Subject to these tiebreaker rules, the taxpayer and the other person may be able to choose which person claims the child as a qualifying child.
If only one of the persons is the child's parent, the child is treated as the qualifying child of the parent.
If the parents file a joint return together and can claim the child as a qualifying child, the child is treated as the qualifying child of the parents.
If the parents don't file a joint return together but both parents claim the child as a qualifying child, the IRS will treat the child as the qualifying child of the parent with whom the child lived for the longer period of time during the year. If the child lived with each parent for the same amount of time, the IRS will treat the child as the qualifying child of the parent who had the higher adjusted gross income (AGI) for the year.
If no parent can claim the child as a qualifying child, the child is treated as the qualifying child of the person who had the highest AGI for the year.
If a parent can claim the child as a qualifying child but no parent claims the child, the child is treated as the qualifying child of the person who had the highest AGI for the year, but only if that person's AGI is higher than the highest AGI of any of the child's parents who can claim the child. **Example:** Your daughter meets the conditions to be a qualifying child for both you and your mother. Under the rules above, you are entitled to treat your daughter as a qualifying child for all of the six tax benefits listed above for which you otherwise qualify. Your mother isn't entitled to take any of the six tax benefits listed above unless she has a different qualifying child. However, if your mother's AGI is higher than yours, you can let your mother treat your daughter as her qualifying child. If you do that, your daughter isn't your qualifying child for any of the six benefits. For more details and examples, see Publication 17 and Publication 501, Exemptions, Standard Deduction, and Filing Information.

1. When the special rule for children of divorced or separated parents applies (see Table 3, later in this tab) and the noncustodial parent claims the child as a dependent, the noncustodial parent may also claim the child tax credit (or credit for other dependents) and any educational benefit, if all other rules are met. The custodial parent should enter the child as a nondependent in the software (see software entries on page B-27), because they may be eligible for the EIC, Child and Dependent Care Credit, Exclusion from income for Dependent Care Benefits and Head of Household filing status.

Table 1: All Dependents

Begin with this table to determine both Qualifying Child and Qualifying Relative dependents.

Step	Probe/Ask the taxpayer:	Action
1	Can you or your spouse (if filing jointly) be claimed as a dependent on another taxpayer's tax return this year?[5]	If **YES**: If you can be claimed as a dependent by another taxpayer, you may not claim anyone else as your dependent. If **NO**: Go to Step 2
2	Was the person married as of December 31 of the tax year?	If **YES**: Go to Step 3 If **NO**: Go to Step 4

Table 1: All Dependents (cont'd)

Step	Probe/Ask the taxpayer:	Action
3	Is the person filing a joint return for this tax year? Answer **No** if the person is filing a joint return only to claim a refund of income tax withheld or estimated tax paid.	If **YES**: You can't claim this person as a dependent. If **NO**: Go to Step 4
4	Was the person a U.S. citizen, U.S. resident alien, U.S. national, or a resident of Canada or Mexico? Answer **Yes** if you are a U.S. citizen or U.S. national and you adopted a child who lived with you as a member of your household all year.	If **YES**: Go to Step 5 If **NO**: You can't claim this person as a dependent.
5	Was the person your child, stepchild, eligible foster child, sibling, half sibling, stepsibling, or a descendant of any of them (i.e., your grandchild, niece, or nephew)?[4]	If **YES**: Go to Step 6 If **NO**: This person isn't your qualifying child. Go to Table 2: Qualifying Relative Dependents
6	Was the person: • under age 19 at the end of the year and younger than you *(or your spouse, if filing jointly)* **or** • under age 24 at the end of the year, a full-time student (see definition in the glossary) and younger than you *(or your spouse, if filing jointly)* **or** • any age if permanently and totally disabled[1] at any time during the year?	If **YES**: Go to Step 7 If **NO**: This person isn't your qualifying child. Go to Table 2: Qualifying Relative Dependents
7	Did the person live with you as a member of your household, except for temporary absences[2], for more than half the year? Answer **Yes** if the child was born or died during the year and lived with you for more than half the part of the year they were alive. A child lawfully placed with you for legal adoption or as an eligible foster child is considered to have lived with you for more than half the year if your main home was this person's main home for more than half the time since the child was adopted or placed with you in the year.	If **YES**: Go to Step 8 (Use Table 3 to see if the dependency for children of divorced or separated parents or parents who live apart applies.) If **NO**: This person isn't your qualifying child. Go to Table 2: Qualifying Relative Dependents
8	Did the person provide more than half of his or her own support[3] for the year?	If **YES**: You can't claim this person as a dependent If **NO**: Go to Step 9
9	Is the person a qualifying child of any other taxpayer?	If **YES**: Go to the chart: Qualifying Child of More Than One Person If **NO**: You can claim this person as a qualifying child dependent

1. A person is permanently and totally disabled if he or she can't engage in any substantial gainful activity because of a physical or mental condition, AND a doctor determines the condition has lasted or can be expected to last continuously for at least a year or can lead to death.
2. A child is considered to have lived with you during periods of time when one of you, or both, are temporarily absent due to illness, education, business, vacation, military service, institutionalized care for a child who is permanently and totally disabled, or incarceration. In most cases a child of divorced or separated parents is the qualifying child of the custodial parent. See Table 3: Children of Divorced or Separated Parents or Parents Who Live Apart to see if an exception applies. There is an exception for kidnapped children. See **Publication 501**.
3. A worksheet for determining support is included later in this tab. If a child receives Social Security benefits and uses them toward his or her own support, those benefits are considered as provided by the child. Benefits provided by the state to a needy person (welfare, food stamps, housing, SSI) are generally considered support provided by the state.
4. An adopted child is treated the same as a natural child for the purposes of determining whether a person is related to you in any of these ways. For example, an adopted brother or sister is your brother or sister. An adopted child includes a child who was lawfully placed with a person for legal adoption.
5. An individual is not a dependent of a person if that person is not required to file an income tax return and either does not file an income tax return or files an income tax return solely to claim a refund of estimated or withheld taxes.

Table 2: Qualifying Relative Dependents

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

Step	Probe/Ask the taxpayer:	Action
1	Is the person your qualifying child or the qualifying child of any other taxpayer? A child isn't the qualifying child of any other taxpayer if the child's parent (or any other person for whom the child is defined as a qualifying child) isn't required to file a U.S. income tax return or files an income tax return only to get a refund of withheld income tax or estimated tax paid.	If **YES**, the person isn't a qualifying relative. (See Table 1: All Dependents) If **NO**, go to Step 2.
2	Was the person your child, stepchild, foster child, or a descendant of any of them (i.e., your grandchild)? **OR** Was the person your sibling, half sibling, or a child of any of them? **OR** Was the person your parent, or an ancestor or sibling of either of them? **OR** Was the person your stepsibling, stepparent, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law?[1]	If **NO**, go to Step 3. If **YES**, go to Step 4. **Note**: The relatives listed in Step 2 are considered "Relatives who don't have to live with you" **Note**: To enter into TaxSlayer a qualifying relative who did not live with the taxpayer more than 6 months, choose "Other reasons" from the months drop-down menu.
3	Was the person any other person (other than your spouse) who lived with you all year as a member of your household?[2]	If **NO**, you can't claim this person as a dependent. If **YES**, go to Step 4. **Exceptions:** There are exceptions for kidnapped children; a person who was born or died during the year; certain temporary absences—school, vacation, medical care, etc. **Divorced or separated spouse**. If you obtained a final decree of divorce or separate maintenance during the year, you can't take your former spouse as a dependent. This rule applies even if you provided all of your former spouse's support.
4	Did the person have gross income of less than the $5,200 threshold amount in 2025?[3]	If **NO**, you can't claim this person as a dependent. If **YES**, go to Step 5.
5	Did you provide more than half the person's total support for the year?[4] See Worksheet for Determining Support, later in this tab, to calculate the total support for the year.	If **YES**, you can claim this person as your qualifying relative dependent. (Use Table 3 to see if the exception for children of divorced or separated parents or parents who live apart applies.) If **NO**, go to Step 6.
6	Did another person provide more than half the person's total support?[4]	If **YES**, you can't claim this person as a dependent. If **NO**, go to Step 7.
7	Did two or more people, each of whom would be able to take the dependent but for the support test, together provide more than half the person's total support?	If **YES**, go to Step 8. If **NO**, you can't claim this person as a dependent.
8	Did you provide more than 10% of the person's total support for the year?	If **YES**, go to Step 9. If **NO**, you can't claim this person as a dependent.
9	Did the other person(s) providing more than 10% of the person's total support for the year provide you with a signed statement agreeing not to claim the dependent?	If **YES**, you can claim this person as a dependent. You must file Form 2120, Multiple Support Declaration, with your return. See page B-27 and navigation below. If **NO**, you can't claim this person as a qualifying child dependent.

To include Form 2120 with the return: Basic Information>Dependents/Qualifying Person>[Enter/edit dependent]>This dependent qualifies for a Multiple Support Declaration

Table 2: Qualifying Relative Dependents (cont'd)

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

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

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

[4]**See Table 3**, Children of Divorced or Separated Parents or Parents Who Live Apart, for the exception to the support test.
If a child receives Social Security benefits and uses them toward his or her own support, those benefits are considered as provided by the child. Benefits provided by the state to a needy person are generally considered support provided by the state. A proposed rule, on which taxpayers may choose to rely, treats governmental payments made to a recipient that the recipient uses, in part, to support others as support of the others provided by the recipient, whereas any part of such payment used for the support of the recipient would constitute support of the recipient by a third party. For example, if a mother receives TANF and uses the TANF payments to support her children, the proposed regulations treat the mother as having provided that support.
If the taxpayer remarries, the support provided by the new spouse is treated as provided by the taxpayer.

Table 3: Children of Divorced or Separated Parents or Parents Who Live Apart

Use this table when directed from Table 1 or Table 2 to determine if the exception applies to the qualifying child residency test or the qualifying relative support test.

Step	Probe/Ask the taxpayer:	Action
1	Did the child receive over half of his or her support[4] from the parents who are: • Divorced **OR** • Legally separated under a decree of divorce or separate maintenance **OR** • Separated under a written separation agreement **OR** • Lived apart at all times during the last 6 months of the year?	If **YES**, go to Step 2. If **NO**, Table 3 doesn't apply.
2	Was the child in the custody of one or both parents for more than half the year?[1]	If **YES**, go to Step 3. If **NO**, Table 3 doesn't apply.
3	Did the custodial parent (parent with whom the child lived for the greater number of nights during the year) provide the taxpayer a signed written declaration (Form 8332, Release/ Revocation of Release of Claim to Exemption to Child by Custodial Parent, a copy of Form 8332, or similar document) releasing his or her claim to the child as a dependent?	If **YES**, the Table 3 exception applies.[2] Return to the appropriate step in Table 1 or Table 2. If **NO**, go to Step 4.
4	Are either of the following statements true? The taxpayer has a post-1984 and pre-2009 decree[3] or agreement that is applicable for the current tax year and states *all three of the following*: • The noncustodial parent can claim the child as a dependent without regard to any condition, such as payment of support. • The other parent won't claim the child as a dependent for the year. • The years for which the noncustodial parent can claim the child as a dependent. **OR** The taxpayer has a pre-1985 decree of divorce or separation maintenance or written separation agreement between the parents that provide that the noncustodial parent can claim the child as a dependent, and the noncustodial parent provides at least $600 for support of the child during the current tax year.	If **YES**, the Table 3 exception applies. Return to the appropriate step in Table 1 or Table 2. If **NO**, Table 3 doesn't apply.

1. If the child is emancipated under state law, either by reaching age of majority or other means, child is treated as not living with either parent (see Publication 501).
2. Post-2008 decree or agreement. If the divorce decree or separation agreement went into effect after 2008, the noncustodial parent can't attach pages from the decree or agreement instead of Form 8332. The custodial parent must sign, and the noncustodial parent must attach to his or her return, either Form 8332, or a copy of Form 8332 or a substantially similar statement the only purpose of which is to release the custodial parent's claim to a child. For an e-filed return, attach and submit the Form 8332 with Form 8453, U.S. Individual Income Tax Transmittal for an IRS e-file Return. Alternatively, scan Form 8332 and upload to the return as a Scanned Document. **Tax-Aide Best Practice:** Do not attach Form 8453 or Form 8332 for inclusion in the electronic return. Inform the taxpayer that the IRS may ask them to provide this additional documentation. See page K-14.
3. Post-1984 and Pre-2009 divorce decrees or agreements: The noncustodial parent must attach all of the following pages from the decree or agreement. See Tax-Aide Best Practice above.
   - Cover page (include the other parent's SSN on that page).
   - The pages that include all the information identified in the three bullet points in Step 4 above.
   - Signature page with the other parent's signature and date of agreement.
4. If you remarry, the support provided by your new spouse is treated as provided by you.

Release of certain tax benefits revoked

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

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

Noncustodial parents must attach Form 8332, or a copy of Form 8332 or similar statement to their return.

Dependency Worksheet for Determining Support

Taxpayers should keep a completed copy of this worksheet for their records. See next page for important notes. Also see the **Home Cost and Support Worksheet** in the **Colorado Resource Toolbox**.

Funds Belonging to the Person You Supported

1. Enter the total funds belonging to the person you supported, including income received (taxable and nontaxable) and amounts borrowed during the year, plus the amount in savings and other accounts at the beginning of the year. Don't include funds provided by the state; include those amounts on line 23 instead ..... **1.** _____

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

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

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

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

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

6. Lodging (complete line 6a or 6b):

a. Enter the total rent paid ..... **6a.** _____

b. Enter the fair rental value of the home. If the person you supported owned the home, also include this amount in line 21 ..... **6b.** _____

7. Enter the total food expenses ..... **7.** _____

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

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

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

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

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

Expenses for the Person You Supported

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

14. Enter the person's total clothing expenses ..... **14.** _____

15. Enter the person's total education expenses ..... **15.** _____

16. Enter the person's total medical and dental expenses not paid for or reimbursed by insurance[1] ..... **16.** _____

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

18. Enter the total of the person's other expenses[2] ..... **18.** _____

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

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

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

21. Enter the amount from line 2, plus the amount from line 6b if the person you supported owned the home. This is the amount the person provided for his or her own support ..... **21.** _____

22. Is line 21 more than line 20?

☐ **No.** You meet the support test for this person to be your qualifying child. If this person also meets the other tests to be a qualifying child, stop here; don't complete lines 23–26. Otherwise, go to line 23 and fill out the rest of the worksheet to determine if this person is your qualifying relative.

☐ **Yes.** You don't meet the support test for this person to be either your qualifying child or your qualifying relative. Stop here.

Did You Provide More Than Half?		
23. Enter the amount others provided for the person's support. Include amounts provided by state, local, and other welfare societies or agencies. Don't include any amounts included on line 1	**23.**	_____
24. Add lines 21 and 23	**24.**	_____
25. Subtract line 24 from line 19. This is the amount you provided for the person's support	**25.**	_____

26. Is line 25 more than line 20?

☐ **Yes.** You meet the support test for this person to be your qualifying relative.

☐ **No.** You don't meet the support test for this person to be your qualifying relative. You can't claim this person as a dependent unless you can do so under a multiple support agreement, the support test for children of divorced or separated parents, or the special rule for kidnapped children. See the following sections in Publication 501: Multiple Support Agreement, Support Test for Children of Divorced or Separated Parents (or Parents Who Live Apart), or Kidnapped child under Qualifying Relative.

[1]Include medical and dental insurance premiums.

[2]Include childcare expenses.

The following items aren't included in total support:

- Federal, state, and local income taxes paid by persons from their own income
- Social Security and Medicare taxes paid by persons from their own income
- Life insurance premiums
- Funeral expenses
- Scholarships received by your child if your child is a student
- Survivors' and Dependents' Educational Assistance payments used for the support of the child who receives them

TANF and other governmental payments. Under proposed Treasury regulations, if you received Temporary Assistance for Needy Families (TANF) payments or other similar payments and used the payment to support another person, those payments are considered support you provided for that person, rather than support provided by the government or other third party.

Social Security benefits. If spouses each receive benefits that are paid by one check made out to both of them, half of the total paid is considered to be for the support of each spouse, unless they can show otherwise. If a child receives Social Security benefits and uses them toward his or her own support, the benefits are considered as provided by the child.

Foster care payments and expenses. Payments you receive for the support of a foster child from a child placement agency are considered support provided by the agency. Similarly, payments you receive for the support of a foster child from a state or county are considered support provided by the state or county.

Armed Forces dependency allotments. The part of the allotment contributed by the government and the part taken out of your military pay are both considered provided by you in figuring whether you provide more than half of the support. If your allotment is used to support persons other than those you name, you can claim them as dependents if they otherwise qualify.

Tax-exempt income. In figuring a person's total support, include tax-exempt income, savings, and borrowed amounts used to support that person. Tax-exempt income includes certain Social Security benefits, welfare benefits, nontaxable life insurance proceeds, Armed Forces family allotments, nontaxable pensions, and tax-exempt interest.

Tab D: Income

Income Quick Reference Guide

This list is a quick reference and volunteers should refer to **Publication 525**, Taxable and Nontaxable Income, for more information. Don't rely on this list alone. Some of the income items on this chart are Out of Scope. Use the **Tax-Aide Scope Manual** to identify Out of Scope items. Refer taxpayers with Out of Scope income to a professional tax preparer. Confirm that all income received by the taxpayer has been discussed and shown on the return, if required. To determine taxability at the state level, check with your state's department of revenue.

Table A – Examples of Taxable Income

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

• Wages, salaries, bonuses, commissions • Alimony (for divorce before 2019, see How/Where to Enter Income, later) • Annuities • Awards • Back pay • Breach of contract payment • Business income/Self-employment income • Cash income • Compensation for personal services • Canceled debts[1] • Director's fees • Disability benefits (employer-funded) • Discounts • Dividends • Employee awards • Employee bonuses • Estate and trust income	• Farm income • Fees • Gains from sale of property or securities • Gambling winnings • Hobby income • Grants to businesses, even disaster related, unless exempted by law • Interest • Interest on life insurance dividends • IRA distributions • Jury duty fees • Military pay (not exempt from taxation) • Military pension • Nonemployee compensation • Notary fees • Partnership, Estate and S-Corporation income (Schedule K-1s, Taxpayer's share) • Pensions • Prizes • Punitive damage award	• Railroad retirement—Tier I (portion may be taxable) • Railroad retirement—Tier II • Recovery of prior year deduction[2] (medical, property taxes, etc.) • Refunds of State and local income tax (if reportable)[2] • Rents (gross rent)[3] • Rewards • Royalties • Severance pay • Self-employment (gross income) • Social Security benefits (including SSDI) – portion may be taxable – (See page D-68, Form SSA-1099/RRB-1099 Tier 1 Distributions) • Supplemental unemployment benefits • Taxable scholarships and grants • Tips and gratuities • Tribal per capita payments • Unemployment compensation

1. If the taxpayer received a Form 1099-C, Cancellation of Debt, in relation to their main home, it can be nontaxable (see page D-86), as is forgiveness of certain student loans (see page D-83).
2. If itemized in year paid and taxes were reduced because of deduction.
3. Land-only rental is in scope for Tax-Aide. Rental of a personal residence is in scope with Military certification only (and taxpayer must be active duty military). Other rental income is Out of Scope.

Nontaxable Income

Table B – Examples of Nontaxable Income (Examples of income items to exclude when determining whether a return must be filed)	
• Child support • Civil damages, restitution or other monetary award paid to someone because that person was wrongfully incarcerated • Damages for physical injury (other than punitive) • Death payments • Dividends on life insurance • Federal Employees' Compensation Act payments • Federal income tax refunds • Gifts • Grants to individuals if due to a qualified disaster (otherwise taxable unless exempted by law) • Inheritance[3] or bequest • Insurance proceeds (Accident, Casualty, Health, Life) • Interest on tax-free securities • Interest on EE/I bonds redeemed for qualified higher education expenses • Meals and lodging for the convenience of employer • Olympic and Paralympic Games medals and prizes[4] • Payments in lieu of worker's compensations	• Qualified Disaster Relief Payments (See Pub 525) • Qualified Medicaid waiver payments • Relocation payments • Rebate/Patronage Dividends issued by co-ops for personal use are not taxable • Reimbursements by employers or volunteer organizations for ordinary and necessary actual expenses • Rental of personal residence for less than 15 days[5] • Rental allowance of clergyman • Reverse mortgages • Sickness and injury payments • Social Security benefits – portion may not be taxable (See page D-68, Form SSA-1099/RRB-1099 Tier 1 Distributions) • Student loan forgiveness (2021-2025) • Supplemental Security Income (SSI) • Temporary Assistance for Needy Families (TANF) • Terrorist or military action, certain payments received as a result[6] • Veterans' benefits • Welfare payments (including TANF) and food stamps • Worker's compensation and similar payments

3. An inheritance isn't reported on the income tax return, though the beneficiary will need to report and may be taxed on income they receive, such as distributions from an inherited pension, annuity or IRA.
4. The exclusion does not apply to a taxpayer for any year in which the taxpayer's AGI exceeds $1 million (or $500,000 for an individual filing a MFS return).
5. Rental of a personal residence for less than 15 days during the year is not considered a rental activity, is not taxable income, and the expenses are not deductible on Schedule E (In Scope). Residence must have also had at least 15 days of personal use during the year. See Publication 527, Residential Rental Property.
6. See Publication 3920, Tax Relief for Victims of Terrorist Attacks.

Armed Forces Gross Income

Members of the Armed Forces receive many different types of pay and allowances. Some are included in gross income while others are excluded from gross income. Table 1 lists included items that are subject to tax and must be reported on your tax return. Table 2 lists excluded items that are not subject to tax, but may have to be shown on your tax return. See **Publication 3**, Armed Forces' Tax Guide, for additional information. To determine taxability at the state level, check with your state's department of revenue.

Armed Forces Gross Income (cont'd)

Table 1—Included Items

(These items are included in gross income, unless the pay is for service in a combat zone)

Basic pay
- Active duty
- Attendance at a designated service school
- Back wages
- Cadet/midshipman pay
- Drills (Inactive Duty Training)
- Reserve training
- Training Duty

Bonus pay
- Career status
- Continuation pay
- Enlistment
- Officer
- Overseas extension
- Reenlistment

Special pay
- Aviation career incentives
- Career sea
- Diving duty
- Foreign duty (outside the 48 contiguous states and the District of Columbia)
- Foreign language proficiency
- Hardship duty
- Hostile fire or imminent danger
- Medical and dental officers
- Nuclear-qualified officers
- Optometry
- Other Health Professional Special Pay (for example, nurse, physician assistant, social work, etc.)
- Pharmacy
- Special compensation for assistance with activities of daily living (SCAADL)
- Special duty assignment pay
- Veterinarian
- Voluntary Separation Incentive

Incentive pay
- Submarine
- Flight
- Hazardous duty
- High altitude/Low altitude (HALO)

Other pay
- Accrued leave
- CONUS COLA
- High deployment per diem
- Personal money allowances paid to high ranking officers
- Student loan repayment from programs such as the Department of Defense Educational Loan Repayment Program when the year's service (requirement) isn't attributable to a combat zone, to the extent that qualified higher education expenses exceed $5,250 annually
- Certain payments made by an employer after March 27, 2020, of principal or interest on certain qualified educational loans.

In-kind military benefits
- Personal use of government-provided vehicle

Table 2—Excluded Items

(The exclusion for certain items applies whether the item is furnished in-kind or is a reimbursement or allowance.)

Combat zone and qualified hazardous duty area pay
- Compensation for active service while in a combat zone **Note:** *Limited amount for commissioned officers*
- Leave earned or accrued while performing service in a combat zone

Family allowances
- Certain educational expenses for dependents
- Emergencies
- Evacuation to a place of safety
- Separation

Living allowances
- BAH (Basic Allowance for Housing)
- BAS (Basic Allowance for Subsistence)
- Housing and cost-of-living allowances abroad paid by the U.S. Government or by a foreign government
- OHA (Overseas Housing Allowance)

Other pay
- Certain amounts received under Armed Force Health Professions Scholarship and Financial Assistance Program payments
- Disability, including payments received for injuries incurred as a direct result of a terrorist or military action
- Disability severance payments
- Group-term life insurance
- Professional education
- ROTC educational and subsistence allowances
- State bonus pay for service in a combat zone
- Survivor and retirement protection plan premiums
- Uniform allowances

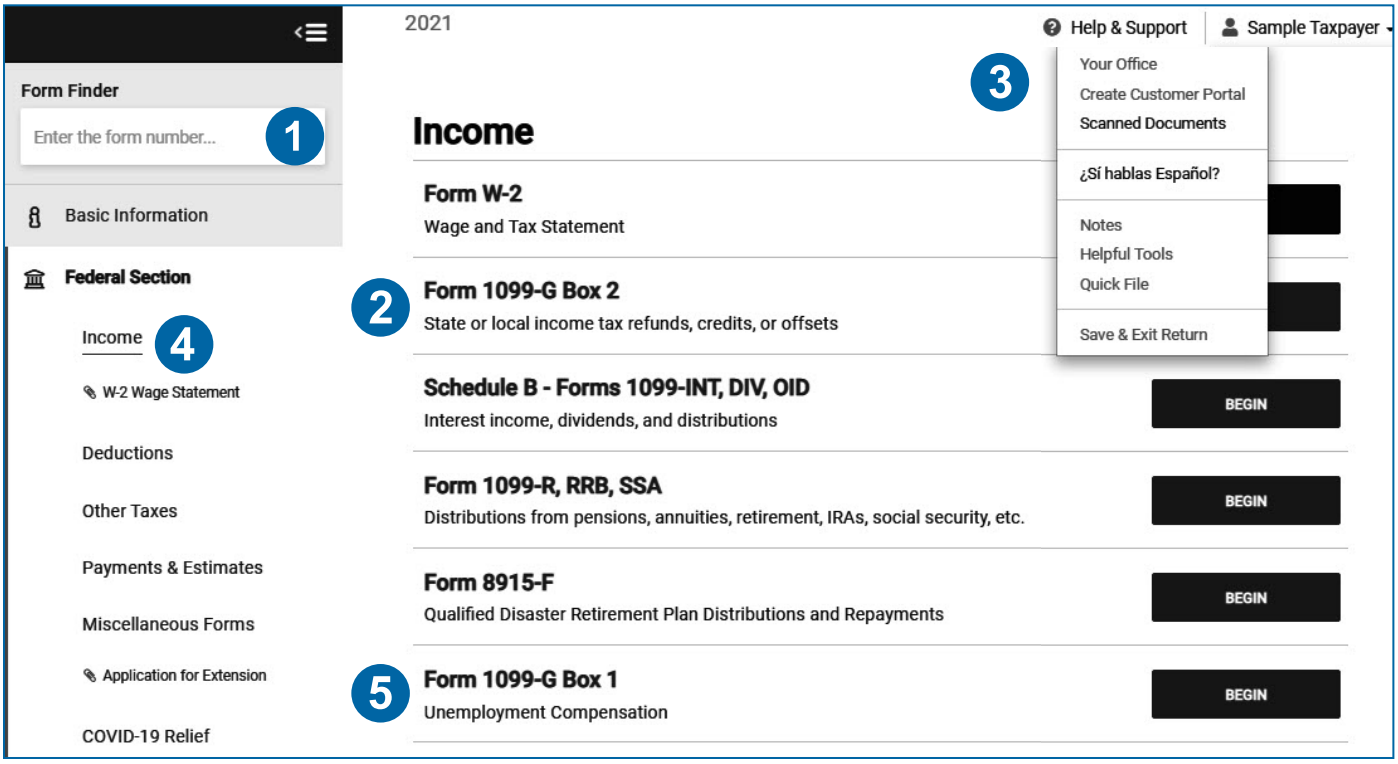
Moving allowances
- Dislocation (limited to actual moving expenses)
- Military base realignment and closure benefit (Limits apply. See 42 U.S.C. 3374(c))
- Move-in housing
- Move household and personal items
- Moving trailers or mobile homes
- Storage
- Temporary lodging and temporary lodging expenses

Travel allowances
- Annual round trip for dependent students
- Leave between consecutive overseas tours
- Reassignment in a dependent restricted status
- Transportation for you or your dependents during ship overhaul or inactivation
- Per diem
- Travel benefits under Operation Hero Miles

In-kind military benefits
- Dependent-care assistance program
- Defense Counsel Services
- Legal assistance
- Medical/dental care
- Commissary/exchange discounts
- Space-available travel on government aircraft
- Uniforms furnished to enlisted personnel

Death allowances
- Burial services
- Death gratuity payments to eligible survivors
- Travel of dependents to burial site

Federal Section>Income



1. To go directly to a specific form, use the box to enter the form number or name. Keywords are listed in the table starting on page O-10.
2. If the taxpayer received a state refund in 2025 and itemized deductions for 2024 that included a deduction for state income tax, select the State and Local Refunds option and complete the State Refund worksheet. See page D-24.
3. Select **Quick File** from this pull-down menu next to the taxpayer's name to create a list of entry screens for this return.
4. You can go directly to the Income section from the quick link.
5. (B) To enter Form 1099-G Box 1 (Unemployment compensation), Box 6 (Taxable grants), or Box 10 (Family leave benefits), go to:

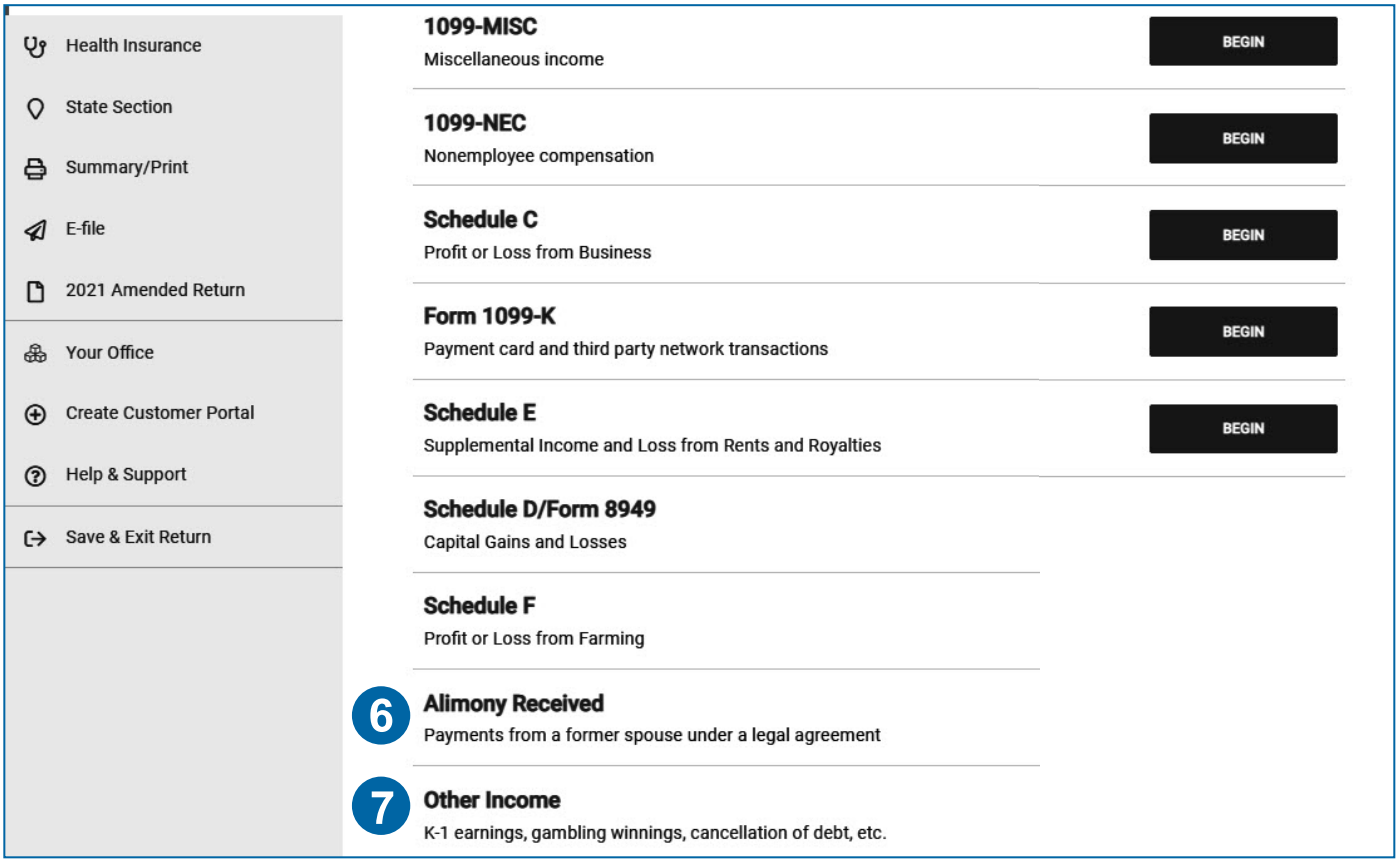
   Income>Form 1099-G Box 1.

   If unemployment benefits are repaid in the same year, enter the amount in Repayment of Unemployment. To enter current year unemployment, select **Add or Edit a 1099-G**.

   Box 10 reports governmental paid family leave (PFL) payments. Family leave is taxable, as are Medical leave payments attributable to employer contributions. Medical leave payments attributable to after-tax employee contributions are not taxable.

   Box 6 amounts related to Schedules E or F are Out of Scope. Report in-scope Box 6 amounts on Schedule 1, Line 8, by entering them in the Taxable Grants field at the above navigation. If this is self-employment related, then two additional steps are needed (Advanced Certification required):

   - Enter the Box 6 amount again as a negative entry in Other Income to zero out the flow to Schedule 1
   - Enter the Box 6 amount again as a positive entry in Schedule C > Income > Gross receipts to report the income there

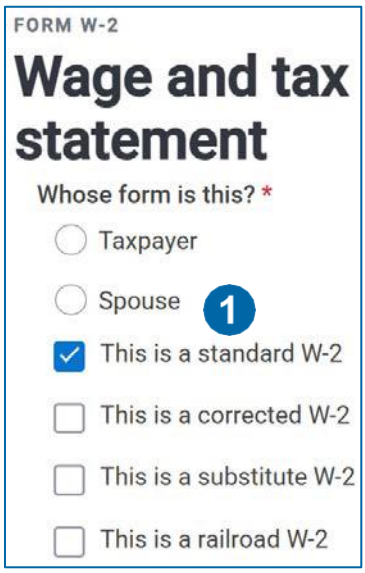


6. (B) Alimony received pursuant to a divorce or separation instrument executed on or before December 31, 2018 is included as income on the return. For divorces after December 31, 2018, alimony is not included as income on the return. The alimony is also not included in income if the instrument is modified after December 31, 2018, and the modification expressly provides that the amendments made by the Tax Cuts and Jobs Act, Section 11051, apply to the modification. State tax law may vary.
7. Includes Taxable Scholarships, Gambling Income, Jury Duty Pay, Medicaid Waiver Payments (not reported on W-2), Prisoner Income/Wages earned while incarcerated, Foreign Compensation, etc. See page D-77, Less Common Income.

⚠ Taxpayers who receive an incorrect Form 1099-G for unemployment benefits they did not receive should contact the issuing state agency to request a revised Form 1099-G showing they did not receive these benefits. Taxpayers who are unable to obtain a timely, corrected form from states should still file an accurate tax return, reporting only the income they received.

(B/A/M) Forms W-2 and W-2c Instructions

Income>Form W-2>Add a W-2 Wage Statement; or Keyword: W



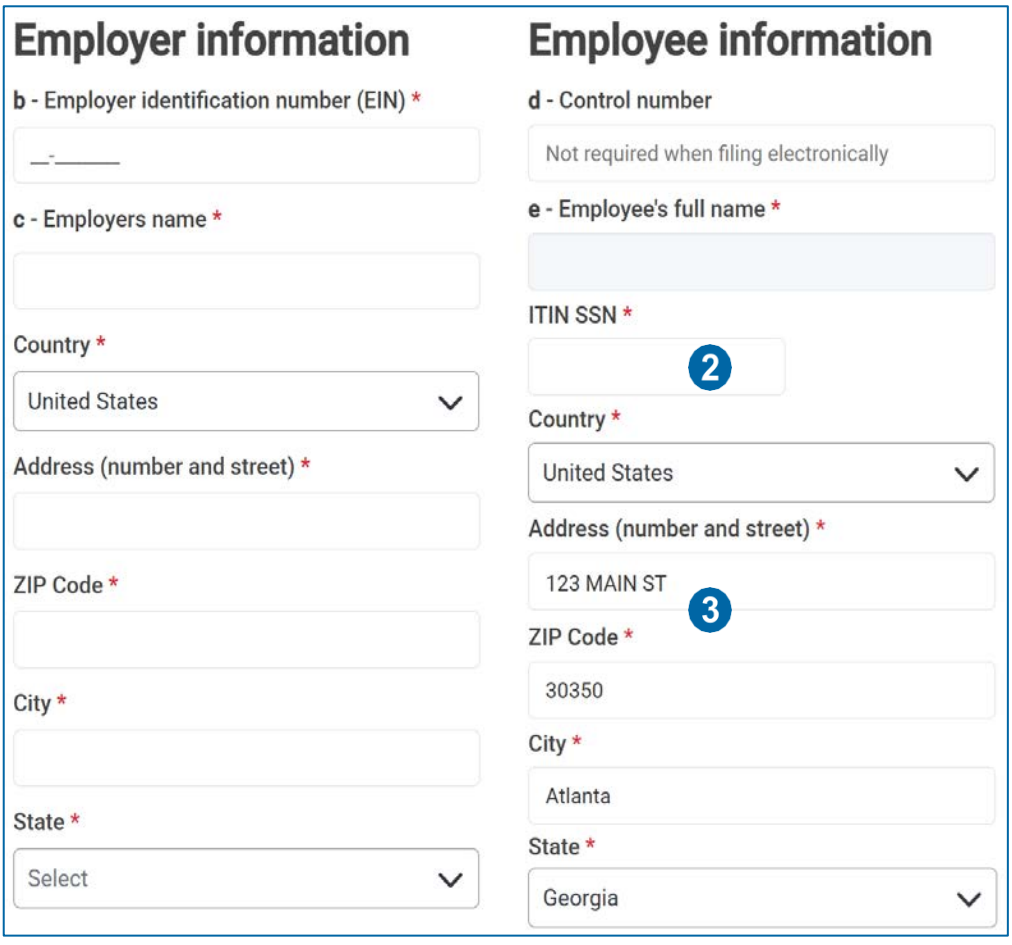
If the taxpayer has not received a W-2 from all employers by the end of January, they should contact their employer for the missing copy.

Basic Certification except for the following. Advanced Certification required for allocated or unreported tips, box 12 code W, or church employees with wages greater than $108.28 and boxes 3 and 5 blank. Military Certification required for box 12 code Q.

1. Indicate if this W-2 is for the Taxpayer or Spouse. Also:
   - For a Form W-2c, check the box for *This is a corrected W-2* and enter the original W-2 data except where corrections are provided on the W-2c.
   - If a Form W-2 can't be obtained from the employer, check the box for *This is a substitute W-2*. TaxSlayer will generate a Form 4852, Substitute for Form W-2. The taxpayer will need to provide total income and withholding from their year-end pay stub. The return can only be e-filed if the EIN is also provided, otherwise it must be a paper return. See **Publication 5396-A**.

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

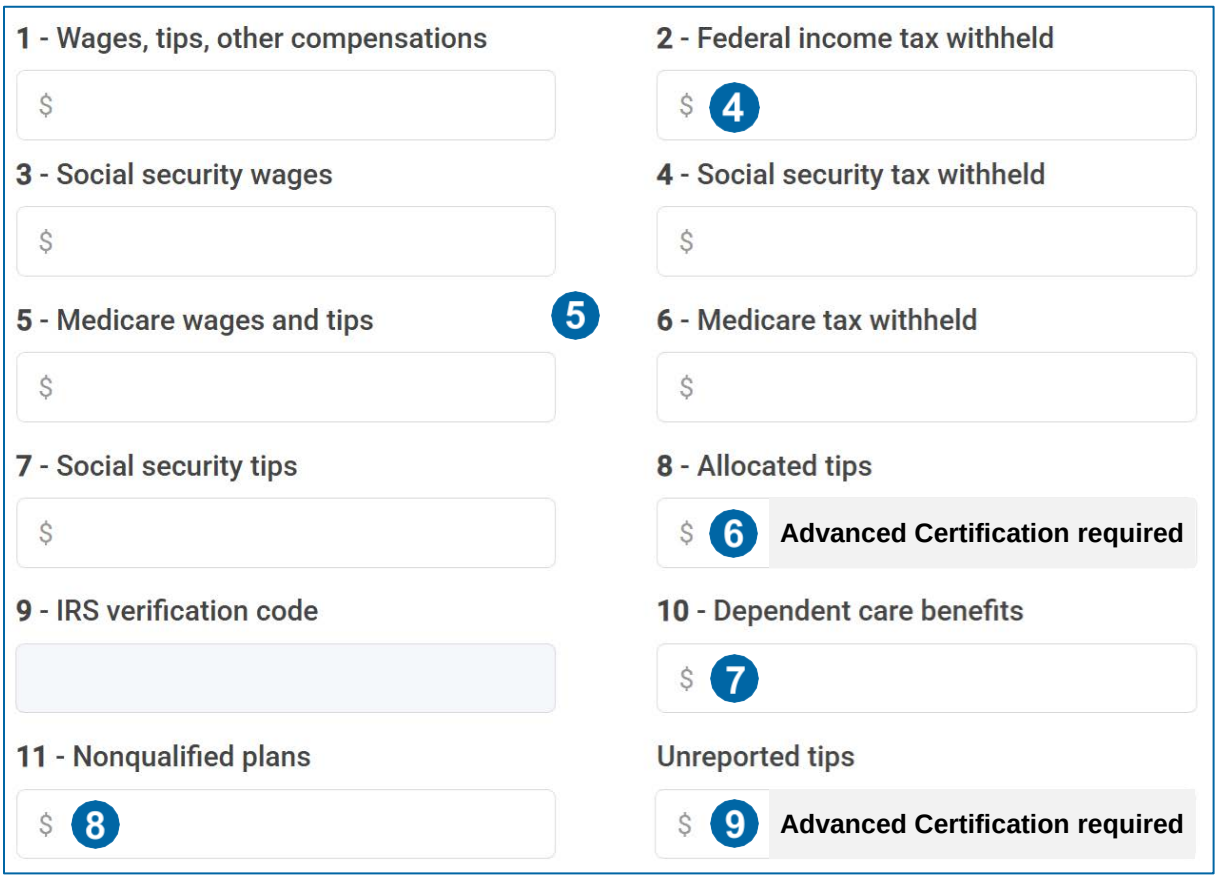
3. Compare the taxpayer's address to Form W-2 address. If the address on the W-2 is different, correct the W-2 address here to match the original Form W-2. This won't change the tax return address.



A taxpayer with multiple Forms W-2 might have a different address on several Forms W-2. Check them carefully; the change must be made on every Form W-2 that is different from the current address. Be sure to enter every item from the taxpayer's original W-2 — key what you see.

The IRS requires that information on e-filed Form(s) W-2 match the printed Form(s) W-2 exactly if possible. However, the name cannot be changed, and the software will not accept special characters.

Form W-2 Instructions (cont'd)



4. Review box 2 and box 17 to ensure tax withheld was entered and is correct.

5. Boxes 3, 4, 5, 6 and 16 will auto-populate based on the box 1 entry. Correct these entries to match the taxpayer's Form W-2. If boxes 3 and 5 are blank for a church employee with wages greater than $108.28, see #1 on page H-4 (Advanced Certification required).

6. (A) Box 8 reports **allocated tips**, which certain employers must assign if total tips reported by employees are less than a required minimum. Allocated tips are not included in boxes 1 or 7 and instead flow to unreported tips on Form 4137, Social Security and Medicare Tax on Unreported Tip Income. If the taxpayer has adequate records showing they received other than the allocated amount, leave box 8 blank and report the taxpayer-provided amount in the Unreported tips field (see #9 below). When determining unreported tips, the taxpayer should not include tips already reported by their employer in box 7 or service charges reported in box 1. See *Allocated Tips* in **Publication 531**, Reporting Tip Income for more details.

7. If there is an entry in box 10, Form 2441, Child and Dependent Care Expenses, must be completed (the amount will be included in AGI until this is done).

8. Be sure to complete box 11 if there is an entry on the original Form W-2. An entry here may indicate that the taxpayer is receiving deferred compensation earned in a prior year. If not reported on Schedule 1, Line 8t, then contact TaxSlayer support for a workaround (see back cover). This is not included in current year compensation for IRA contribution purposes.

9. (A) If the taxpayer received tips they did not report to the employer, enter the amount in the **Unreported tips** field. This will add Form 4137, Social Security and Medicare Tax on Unreported Tip Income, to the return. See #3 on page H-4 for an additional entry required if the taxpayer had **unreported cash or charged tips totaling less than $20 in a calendar month** or unreported noncash tips.

10. Select the box 12 code from the drop-down list and enter the dollar amount. If there are more than 4 items in box 12, input another W-2 with the additional box 12 codes and $1 in box 1 (subtract$1 from the original W-2). If box 12 has code W, add Form 8889, Health Savings Account, to the return. See page E-12.

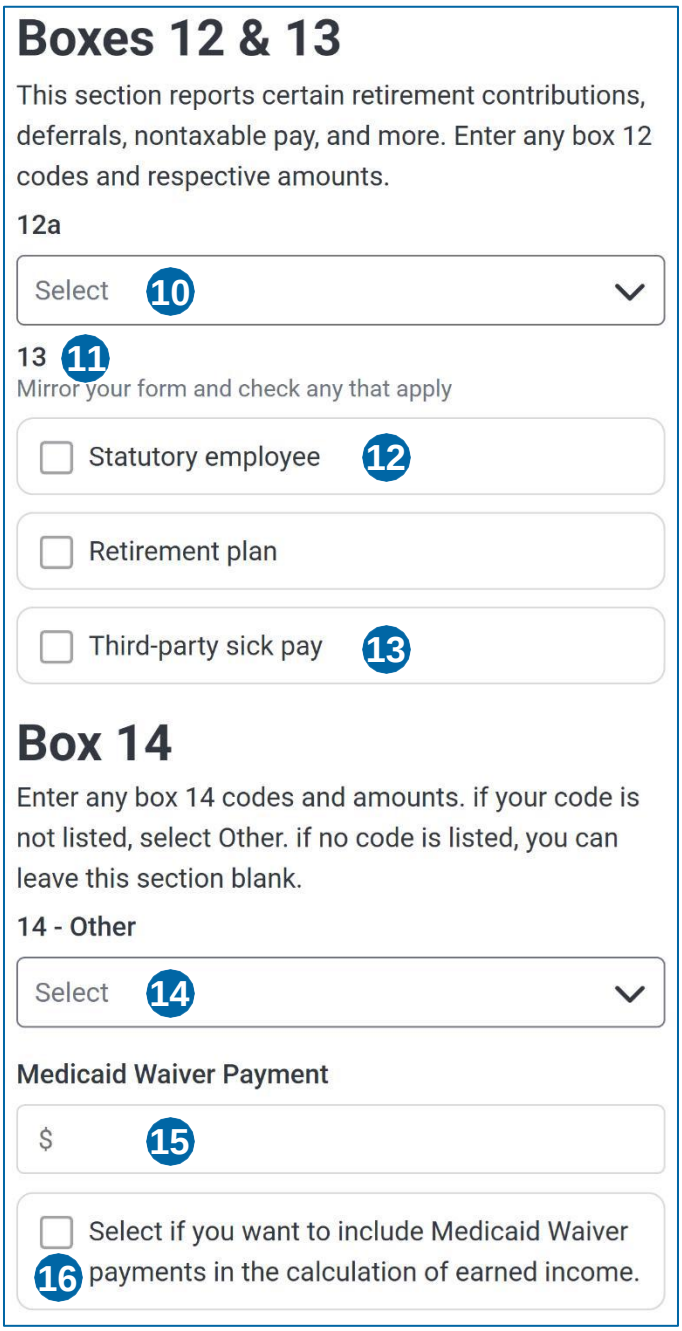
11. Be sure to select the correct items for box 13 as indicated on Forms W-2. This is important in calculating the deductibility of IRA contributions.

12. (A) If statutory employee is marked, employment taxes are withheld by the employer, but the taxpayer will report income and deduct expenses using Schedule C. Re-enter income as statutory income on Schedule C Income screen. Also enter related expenses. Do not mix statutory employee income with other income on the same Schedule C.

13. Third party pay, box 13, is taxable income and reported in box 1. Also see box 12, code J on the next page.

14. Select from the drop-down list for box 14. Employers use this box for any other information that they want to give to their employees.

- If the amount is eligible for the retirement saver's contributions credit, select **Retirement (Not in Box 12) – Carry to Form 8880**. To qualify for this treatment, the contribution must be a voluntary, not a mandatory, contribution.
- For mandatory contributions to state disability and paid family leave programs, see Schedule A – Taxes You Paid, #3 on page F-10.
- If none of the drop-down options apply, select **Other** and enter the amount.



15. If a Medicaid Waiver Payment (MWP) amount is included in box 1, enter the MWP amount again here to remove it from AGI via Schedule 1, Line 8s. However, do not enter the MWP amount here if it was entered using box 12, code II instead of including it in box 1 (an offsetting Schedule 1, Line 8s entry will automatically be created).

16. Test to see if checking the box to include MWPs in earned income is advantageous for the taxpayer after completing all other parts of the return. This checkbox applies to MWPs entered in #15 above or using box 12, code II. A taxpayer may choose to include qualified Medicaid waiver payments in the calculation of earned income for the EIC and the ACTC even when excluded from AGI. For more information, see Entering Medicaid Waiver Payments on page D-12.

If the Form W-2 shows withholding from more than one state, select the Add State button to add the additional information.

Form W-2 Reference Guide for Common Box 12 Codes

The box 12 codes below are In Scope except as noted. For less common codes, see **Form W-2** for explanation and confirm if code is in scope using the **Tax-Aide Scope Manual**.

A[2] Uncollected Social Security or RRTA tax on tips

B[2] Uncollected Medicare tax on tips

C Taxable cost of group-term life insurance over $50,000 included in boxes 1, 3 (up to Social Security wage base) and 5.

D[1] Elective deferrals to a section 401(k) cash or deferred arrangement

E[1] Elective deferrals under a section 403(b) salary reduction agreement

F[1] Elective deferrals under a section 408(k)(6) salary reduction SEP

G[1] Elective deferrals and employer contributions (including nonelective deferrals) to a section 457(b) deferred compensation plan

H[1] Elective deferrals to a section 501(c)(18)(D) tax-exempt organization plan that are included in box 1, Wages (automatically excluded from AGI via Schedule 1, Line 24f)

J Nontaxable sick pay — If box 1 is blank, do not include the W-2 on the return, but report any withholding in box 2 (or 17) under Payments & Estimates, Other Federal (or State) Withholdings

M[2] Uncollected Social Security or RRTA tax on taxable cost of group-term life insurance

N[2] Uncollected Medicare tax on taxable cost of group-term life insurance

P Excludable moving expense reimbursements paid directly to a member of the U.S. Armed Forces

Q (M) Nontaxable combat pay

R Employee Contributions to MSA, Out of Scope

S[1] Employee salary reduction contributions under a section 408(p) SIMPLE plan

T Adoption benefits (Out of Scope)

W (A) Employer contributions (including amounts the employee contributes through a cafeteria plan) to employee's health savings account. Form 8889 must be added (see page E-12).

Z Income under a nonqualified deferred compensation plan that fails to satisfy section 409 (Out of Scope)

AA[1] Designated Roth contributions under a section 401(k) plan

BB[1] Designated Roth contributions under a section 403(b) plan

DD Cost of employer-sponsored health coverage (not taxable)

EE[1] Designated Roth contributions under a governmental section 457(b) plan

FF Permitted benefits under a QSEHRA (Out of Scope if premium tax credits are involved, see page H-21)

II Medicaid waiver payments excluded from gross income under Notice 2014-7 (see next page)

TP Total amount of cash tips reported to an employer that is not a specified service trade or business. Use this amount in determining the deduction for qualified tips (see page F-20).

TS Total amount of cash tips reported to an employer that is a specified service trade or business. Do not use this amount in determining the deduction for qualified tips.

TT Total amount of qualified overtime compensation. Use this amount in determining the deduction for qualified overtime compensation (see page F-21).

[1] These are elective (voluntary) contributions which qualify for the Retirement Savings Contributions Credit. See page G-17.

[2] Amounts entered with codes A, B, M, and N automatically flow to Schedule 2, Line 13, Uncollected social security and Medicare or RRTA tax.

(B) Entering Medicaid Waiver Payments

For a qualified Medicaid Waiver Payment (MWP) to be excluded from adjusted gross income (AGI):

- The care provider and the care recipient must reside in the same home, and
- The provider cannot care for more than ten individuals under age 19 or more than five individuals age 19 or older.

Otherwise, the MWP is fully taxable.

A taxpayer may choose to include qualified Medicaid Waiver Payments in the calculation of earned income for EIC, ACTC, and CDCC purposes even when the MWP is excluded from AGI.

- A taxpayer can include all or none, but not just a portion of MWP for the year in earned income.
- If both spouses received MWP on a joint return, each spouse can make a separate and different election to include all or none of their MWP in earned income.

Medicaid Waiver Payments reported on Form W-2


Income>W-2; or Keyword: W

Confirm the correct MWP amount with the taxpayer. Follow the instructions in the applicable row below to enter the Form W-2 in TaxSlayer. This reports the MWP on Form 1040, line 1a or 1d, and then excludes it from AGI via Schedule 1, line 8s.

Where was the MWP reported?	How to enter in TaxSlayer
On Form W-2 in box 1	Determine if the entire box 1 amount is an MWP (in some cases box 1 can also include other wages). Enter the W-2 as printed. Also enter the amount of the MWP included in box 1 in the Medicaid Waiver Payment box below box 14 on the screen (see #15 on page D-10). See Example 1.
On Form W-2 in box 12, code II	Enter the W-2 as printed. The code II entry will automatically be excluded from AGI, so do not enter it in the Medicaid Waiver Payment box below box 14 on the screen (see #15 on page D-10). See Example 2 and Example 3.  TaxSlayer now supports the entry of a Form W-2 with a blank box 1 when there is a box 12 code II. Special handling is no longer required, so the entry method is now the same for examples 2 and 3.
Not in box 1 or box 12, code II	Enter the W-2 as printed, but also enter the MWP amount in two additional places: in box 1 and in the Medicaid Waiver Payment box below box 14 on the screen (see #15 on page D-10). See Example 4.

After completing all other parts of the return, use the checkbox shown in #16 on page D-10 to test if including MWPs in earned income is advantageous for the taxpayer. This checkbox applies to all of the cases above. If checked, an EIC will be calculated if the TP is otherwise eligible. Also see the note on the next page.

Medicaid Waiver Payments reported on Form 1099-MISC or Form 1099-NEC


Income>1099-MISC; or Keyword: MIS

Enter the MWP amount on the Form 1099-MISC screen in box 3 (enter there even if reported on Form 1099-MISC box 6 or Form 1099-NEC box 1). Also enter the MWP amount in the Medicaid Waiver Payment box that appears at the bottom of the screen. See #3c on page D-80 and #5 on page D-81. This reports the MWP on Form 1040, line 1d, and then excludes it from AGI via Schedule 1, line 8s.

After completing all other parts of the return, use the checkbox shown in #6 on page D-81 to test if including MWPs in earned income is advantageous for the taxpayer. If checked, an EIC will be calculated if the taxpayer is otherwise eligible.

Do not use the 1099-NEC screen to report MWP income on a Schedule C. TaxSlayer doesn't support including the MWP in earned income if it is reported on a Schedule C with the MWP excluded via an offsetting expense.

Medicaid Waiver Payments not reported on Forms W-2, 1099-MISC or 1099-NEC

If taxpayer has or can get the TIN of the payer, then enter the MWP on the 1099-MISC screen in box 3 (or on a W-2 if that is how it is normally reported in your state) following the steps on the prior page. Online EIN search tools may also be useful; e.g.: **HIPPASpace EIN Lookup**, **eintaxid.com**, or the **EIN Search Tool** in the **Colorado Resource Toolbox**. Sites may want to maintain a reference list of the MWP payer(s) and TIN(s) they typically encounter.

If the Payer's TIN can't be obtained, then enter the MWP as *Other Compensation>Medicaid Waiver Payments (Not Reported on W-2).* An extra workaround may be needed because there is no checkbox on that screen to allow you to choose to include the MWP in earned income.

1. Enter the MWP as *Income>Other Income>Other Compensation>Medicaid Waiver Payments (Not Reported on W-2).* This reports the MWP on Form 1040, line 1d, and then excludes it from AGI via Schedule 1, line 8s.
2. Test to see if including the MWP in earned income is advantageous for the taxpayer after completing all other parts of the return. After noting the current federal and state return results:
   a. If you have any other existing Form W-2 or 1099-MISC, then use it to check the box to include MWPs in earned income (below W-2 box 14, or near the bottom of the 1099-MISC screen), but do not make an entry in the Medicaid Waiver Payment box. Click CONTINUE. If this change is disadvantageous for the taxpayer, then uncheck the box to include MWPs in earned income.
   b. If you do not have an existing Form W-2 or 1099-MISC, then create a *temporary* 1099-MISC using any TIN, $1 in box 15 and check the box to include MWPs in earned income. Do not enter an amount in box 3 or the MWP box. Click CONTINUE and determine if adding this to earned income was advantageous to the taxpayer.
      i. To keep the MWP in earned income, just delete the temporary 1099-MISC. The MWP will remain in earned income.
      ii. To remove the MWP from earned income, then edit the temporary 1099-MISC, unchecking the box to include MWPs in earned income. Save and then delete the temporary 1099-MISC.

The software entries described here exclude the MWP from AGI. If including the MWP in AGI might benefit the taxpayer (e.g., if needed to qualify for the Premium Tax Credit), then test this after completing all other parts of the return:

- If entered on a Form W-2, box 1 or 1099-MISC, remove the MWP from the Medicaid Waiver Payment box. Leave the box checked to include the MWP in earned income. If it is not beneficial to include the MWP in AGI, then re-enter the MWP in the Medicaid Waiver Payment box to exclude it.
- If entered on a Form W-2, box 12 code II, delete the code II entry and instead add the MWP to the box 1 entry. Do not enter anything in the Medicaid Waiver Payment box, but leave the box checked to include the MWP in earned income. If it is not beneficial to include the MWP in AGI, then re-enter it as it originally was in box 12 code II instead of in box 1.
- If entered as Other Compensation>Medicaid Waiver Payments (Not Reported on W-2), delete that entry and instead enter the MWP in Income>Other Income>Other Compensation>Household Employee Income. If it is not beneficial to include the MWP in AGI, then delete the Household Employee income entry and re-enter as it originally was in Other Compensation.

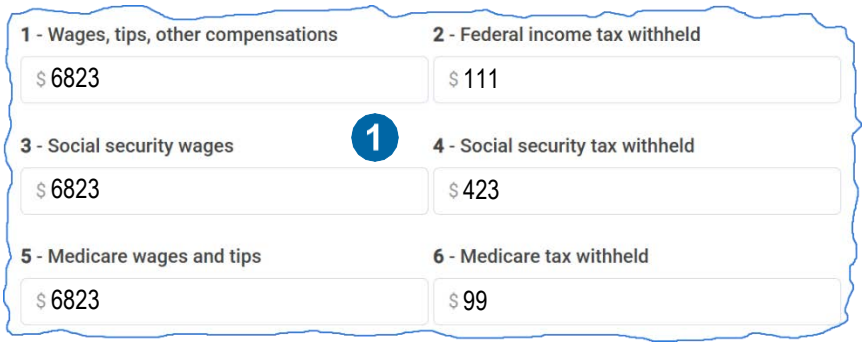
Example 1 – MWP Included in Box 1

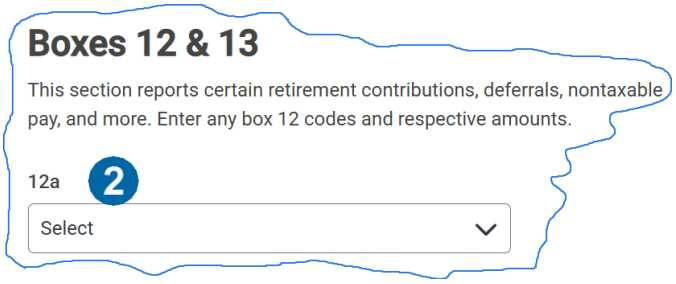
In Example 1's snippet of a W-2 shown here:

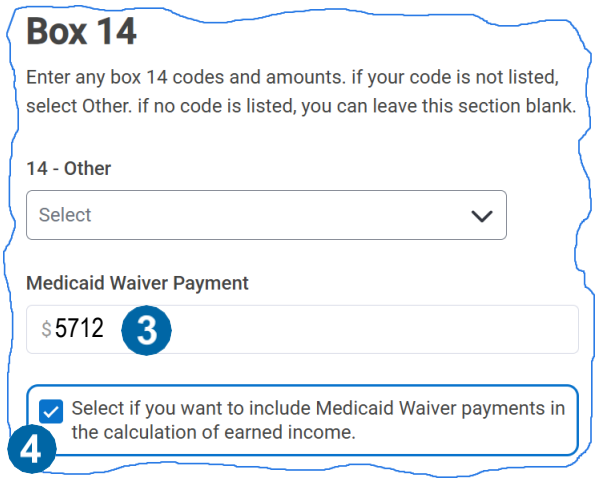
- **The Medicaid Waiver Payment (MWP) is included in box 1.**
- You determined with the taxpayer that only $5,712 of the $6,823 in box 1 wages is MWP income. The TP started providing care on February 5th, but only started living with the care recipient on March 30th.

Form **W-2** Wage and Tax Statement 20XX

1 Wages, tips, other compensation 6823	2 Federal income tax withheld 111
3 Social security wages 6823	4 Social security tax withheld 423
5 Medicare wages and tips 6823	6 Medicare tax withheld 99
7 Social security tips	8 Allocated tips
9	10 Dependent care benefits
11 Nonqualified plans	12a See instructions for box 12 Code
13 Statutory employee ☐ Retirement plan ☐ Third-party sick pay ☐	12b Code
14 Other	12c Code
	12d Code







Entering Example 1's Form W-2 in TaxSlayer

The following is specific to this example. For general guidance, see page D-12.

1. Boxes 1-6 are entered per what's on this Form W-2.
2. This W-2 had no box 12 entries, so no box 12 entries are made in this example.

   ⚠ When the MWP is included in box 1 (as in this example), do not also enter it with a box 12, code II.
3. Only enter the amount of box 1 that is MWP income here. This entry will exclude this amount from AGI via Schedule 1, Line 8s.

   In this example, this entry is less than the amount in box 1 since that also included non-MWP wages. However, it is common for the entire box 1 amount to be the MWP.
4. After completing all other parts of the return, use this checkbox to test if including MWPs in earned income is advantageous for the taxpayer.

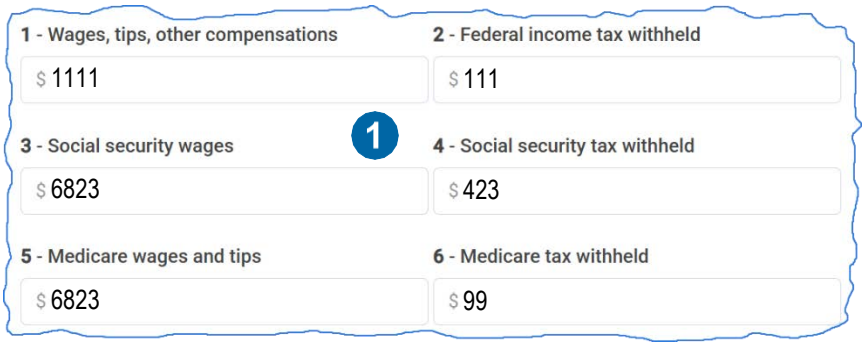
Example 2 – MWP in Box 12 Code II and Box 1 is Other

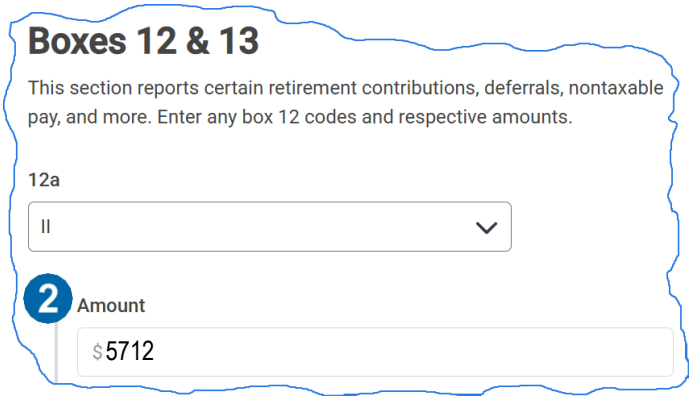
In Example 2's snippet of a W-2 shown here:

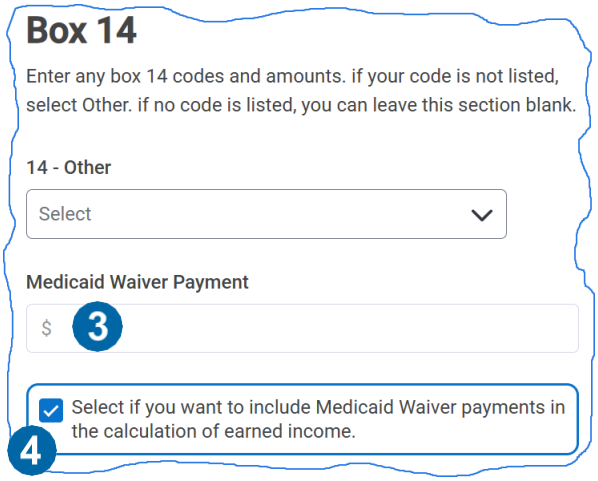
- **The Medicaid Waiver Payment (MWP) is reported in box 12 via code II.**
- **There is an amount in box 1 (wages)**, but you confirmed with the taxpayer that this $1,111 was not MWP income.
- Box 12, code II was introduced in TY2024 to report Medicaid Waiver Payments excluded from box 1.

Form **W-2** Wage and Tax Statement 20XX

1 Wages, tips, other compensation 1111	2 Federal income tax withheld 111
3 Social security wages 6823	4 Social security tax withheld 423
5 Medicare wages and tips 6823	6 Medicare tax withheld 99
7 Social security tips	8 Allocated tips
9	10 Dependent care benefits
11 Nonqualified plans	12a See instructions for box 12 Code II 5712
13 Statutory employee ☐ Retirement plan ☐ Third-party sick pay ☐	12b Code
14 Other	12c Code
	12d Code







Entering Example 2's Form W-2 in TaxSlayer

The following is specific to this example. For general guidance, see page D-12.

1. Boxes 1-6 are entered per what's on this Form W-2.
2. The box 12 code II is entered per the W-2. This entry will report the MWP on Form 1040, line 1d, and then exclude it from AGI via Schedule 1, Line 8s.
3. No entry is made here for this example because this entry is only for a MWP amount that was included in box 1.

   ⚠ Do not make an entry here for a MWP reported via box 12 code II! Doing so can cause Schedule 1, Line 8s to exclude the MWP twice.
4. After completing all other parts of the return, use this checkbox to test if including MWPs in earned income is advantageous for the taxpayer.

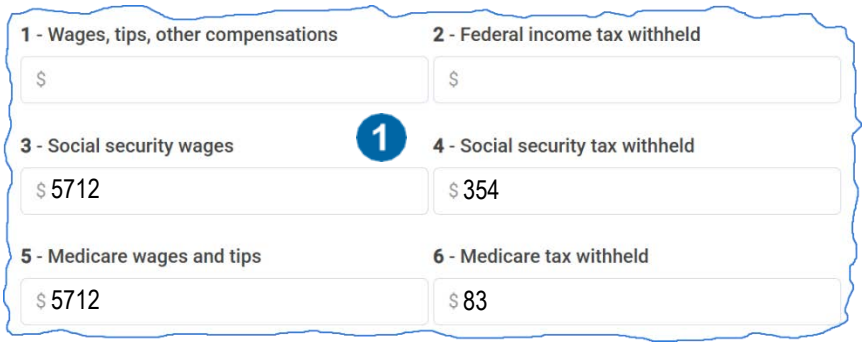
Example 3 – MWP in Box 12 Code II and Box 1 is Blank

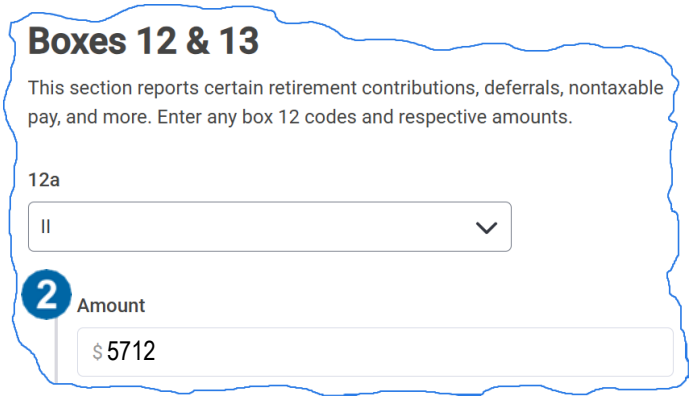
In Example 3's snippet of a W-2 shown here:

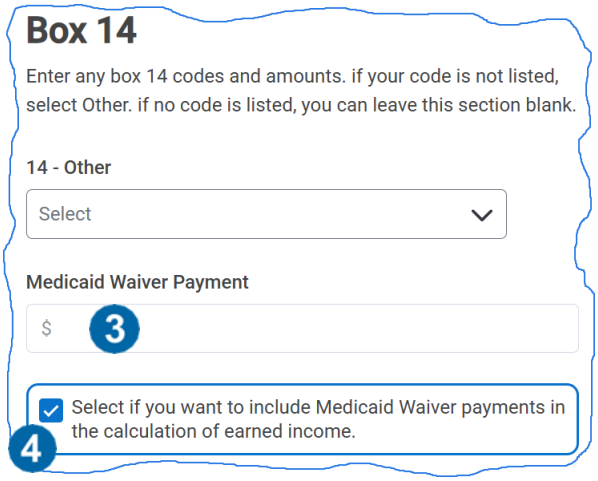
- **The Medicaid Waiver Payment (MWP) is reported in box 12 via code II.**
- **Box 1 (wages) is blank or zero.**
- Box 12, code II was introduced in TY2024 to report Medicaid Waiver Payments excluded from box 1.

Form **W-2** Wage and Tax Statement 20XX

1 Wages, tips, other compensation	2 Federal income tax withheld
3 Social security wages 5712	4 Social security tax withheld 354
5 Medicare wages and tips 5712	6 Medicare tax withheld 83
7 Social security tips	8 Allocated tips
9	10 Dependent care benefits
11 Nonqualified plans	12a See instructions for box 12 Code II 5712
13 Statutory employee ☐ Retirement plan ☐ Third-party sick pay ☐	12b Code
14 Other	12c Code
	12d Code







TaxSlayer now supports the entry of a Form W-2 with a blank box 1 when there is a box 12 code II. Special handling is no longer required, so the entry method for this example is now the same as for Example 2.

Entering Example 3's Form W-2 in TaxSlayer

The following is specific to this example. For general guidance, see page D-12.

1. Boxes 1-6 are entered per what's on this Form W-2.
2. The box 12 code II is entered per the W-2. This entry will report the MWP on Form 1040, line 1d, and then exclude it from AGI via Schedule 1, Line 8s.
3. No entry is made here for this example because this entry is only for a MWP amount that was included in box 1.

   Do not make an entry here for a MWP reported via box 12 code II! Doing so can cause Schedule 1, Line 8s to exclude the MWP twice.
4. After completing all other parts of the return, use this checkbox to test if including MWPs in earned income is advantageous for the taxpayer.

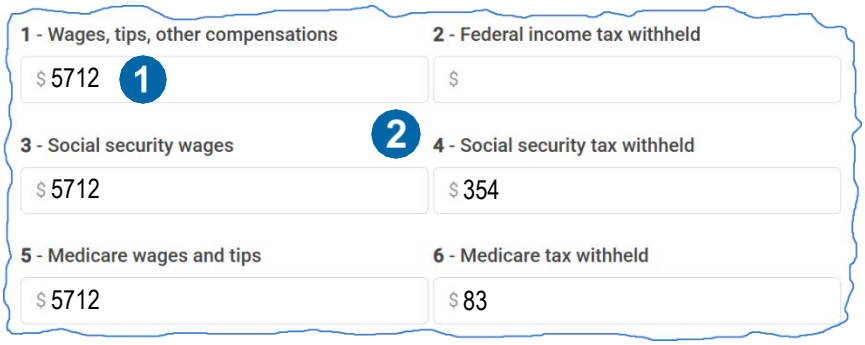
Example 4 – MWP in Box 3, No Code II or Box 1

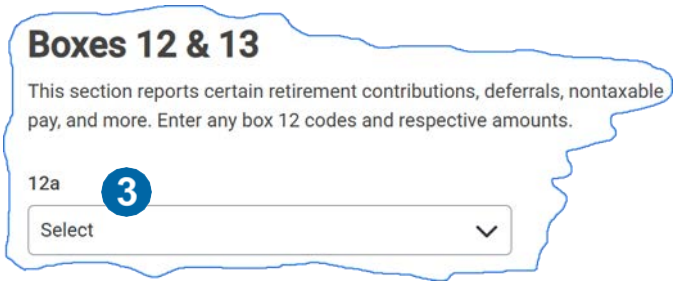
In Example 4's snippet of a W-2 shown here:

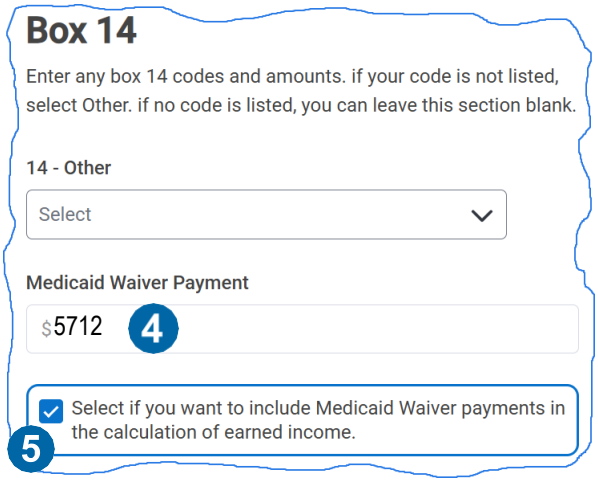
- **The Medicaid Waiver Payment (MWP) is reported in box 3 (confirmed with the taxpayer).**
- **Box 1 (wages) is blank or zero.**
- **Box 12, code II was not reported**.

Form **W-2** Wage and Tax Statement 20XX

1 Wages, tips, other compensation	2 Federal income tax withheld
3 Social security wages 5712	4 Social security tax withheld 354
5 Medicare wages and tips 5712	6 Medicare tax withheld 83
7 Social security tips	8 Allocated tips
9	10 Dependent care benefits
11 Nonqualified plans	12a See instructions for box 12 Code
13 Statutory employee ☐ Retirement plan ☐ Third-party sick pay ☐	12b Code
14 Other	12c Code
	12d Code







Entering Example 4's Form W-2 in TaxSlayer

The following is specific to this example. For general guidance, see page D-12.

1. The MWP is also entered in box 1 to report it on Form 1040, line 1a.
2. Boxes 2-6 are entered per what's on this Form W-2.
3. This W-2 had no box 12 entries, so no box 12 entries are made in this example.

   ⚠ When the MWP is entered in box 1 (as in this example), do not also enter it as a box 12, code II.
4. Enter the MWP amount here also to exclude this amount from AGI via Schedule 1, Line 8s.
5. After completing all other parts of the return, use this checkbox to test if including MWPs in earned income is advantageous for the taxpayer.

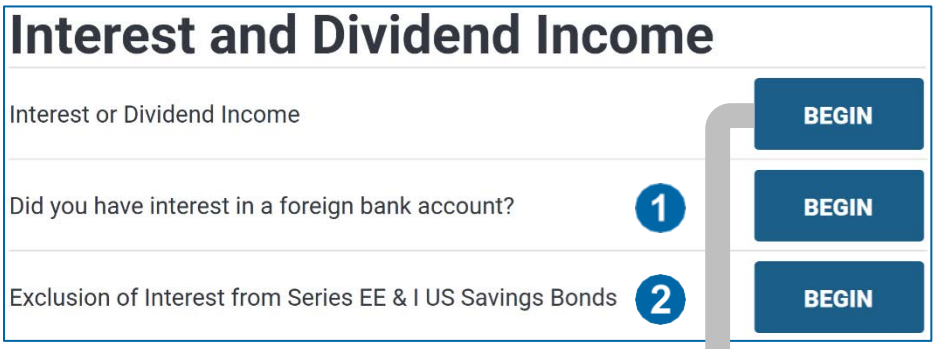
Schedule B – Forms 1099-INT, DIV, OID

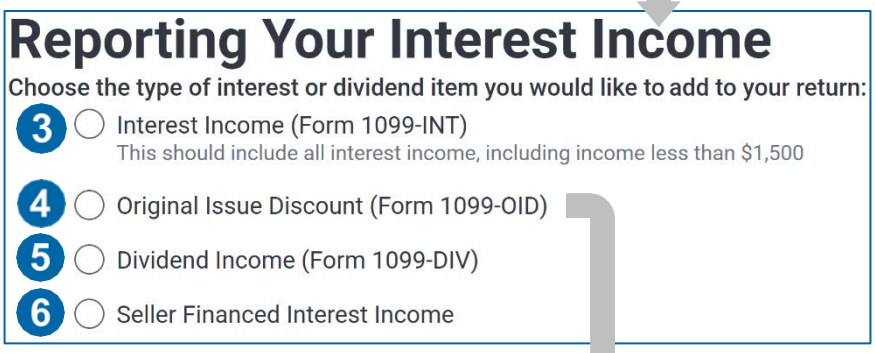
Income>Schedule B - Forms 1099-INT, DIV, OID

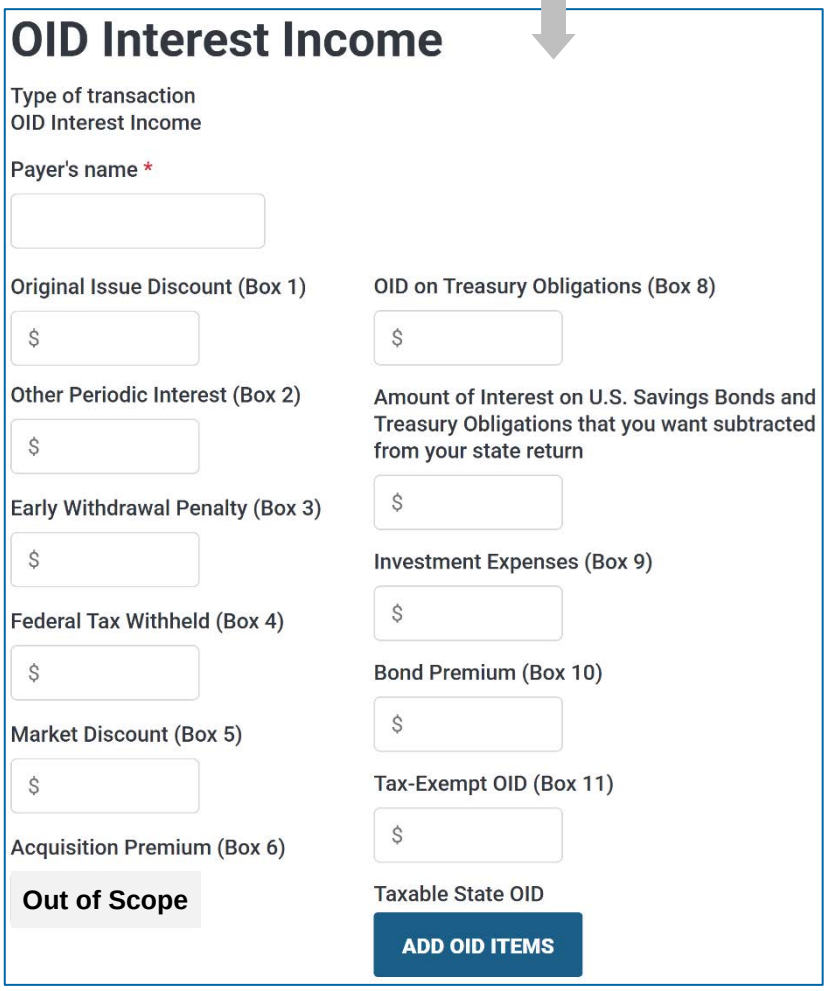
1. If the aggregate value of foreign financial accounts exceeds $10,000 at any time during the year, the FinCEN Report 114 is required to be filed electronically with Treasury, and the return is Out of Scope.
2. If U.S. Savings Bond interest is used to pay for higher education expenses, return is Out of Scope.
3. For Form 1099-INT, see next page.
4. (B) Form 1099-OID interest is treated like other interest, but is entered on its own screen.

   The return is Out of Scope if:

   - there is a FATCA filing requirement (box is checked)
   - alternative minimum tax (AMT) is generated on Form 6251 (flows to Schedule 2, line 2), which may occur with a large amount of dividends or interest
   - adjustment to Form 1099-OID is needed, no form was received, or there is an entry in box 6
   - net investment income tax (Form 8960) is generated. This occurs when AGI is over $200,000 (single or HOH), $250,000 (MFJ or QSS), or $125,000 (MFS) and there is taxable interest, dividends, capital gains, royalties, rent, or Form 1099-R box 7 Code D annuities.
5. For Form 1099-DIV, see page D-22.
6. For Seller-Financed Mortgage Interest Income, see page D-21.







(B) Interest Income (Form 1099-INT)

Income >Schedule B - Forms 1099-DIV, INT, OID>Interest or Dividend Income; or Keyword: INT

Enter each Form 1099-INT separately.

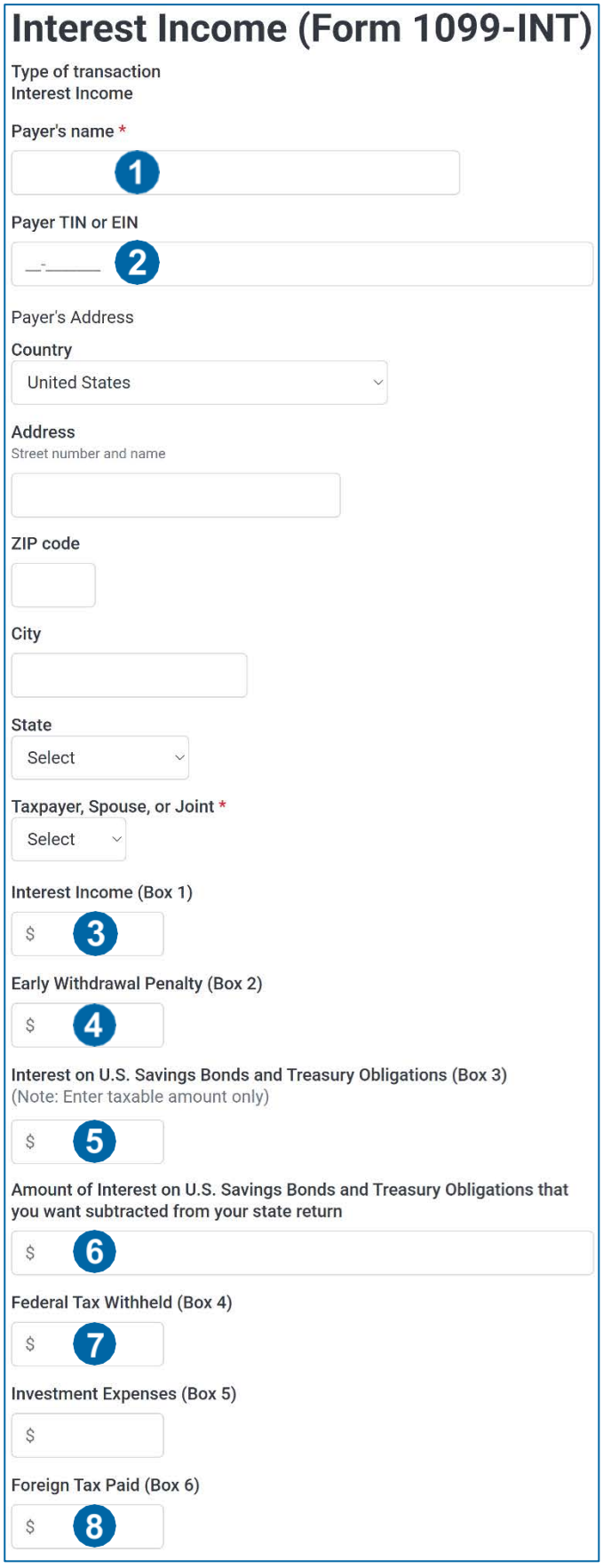
1. Enter the name of payer. Don't use punctuation.
2. Enter Payer's TIN and address if required for state return (not required for federal returns).
3. Enter the taxable interest paid in box 1. This doesn't include interest shown in box 3.
4. The early withdrawal penalty is carried as an adjustment to Schedule 1.

   TaxSlayer will give an error message if the early withdrawal penalty exceeds the amount of interest income in box 1. If that happens, do not enter the early withdrawal penalty on this screen — enter it directly from the Adjustments menu instead (see #8 on page E-4).

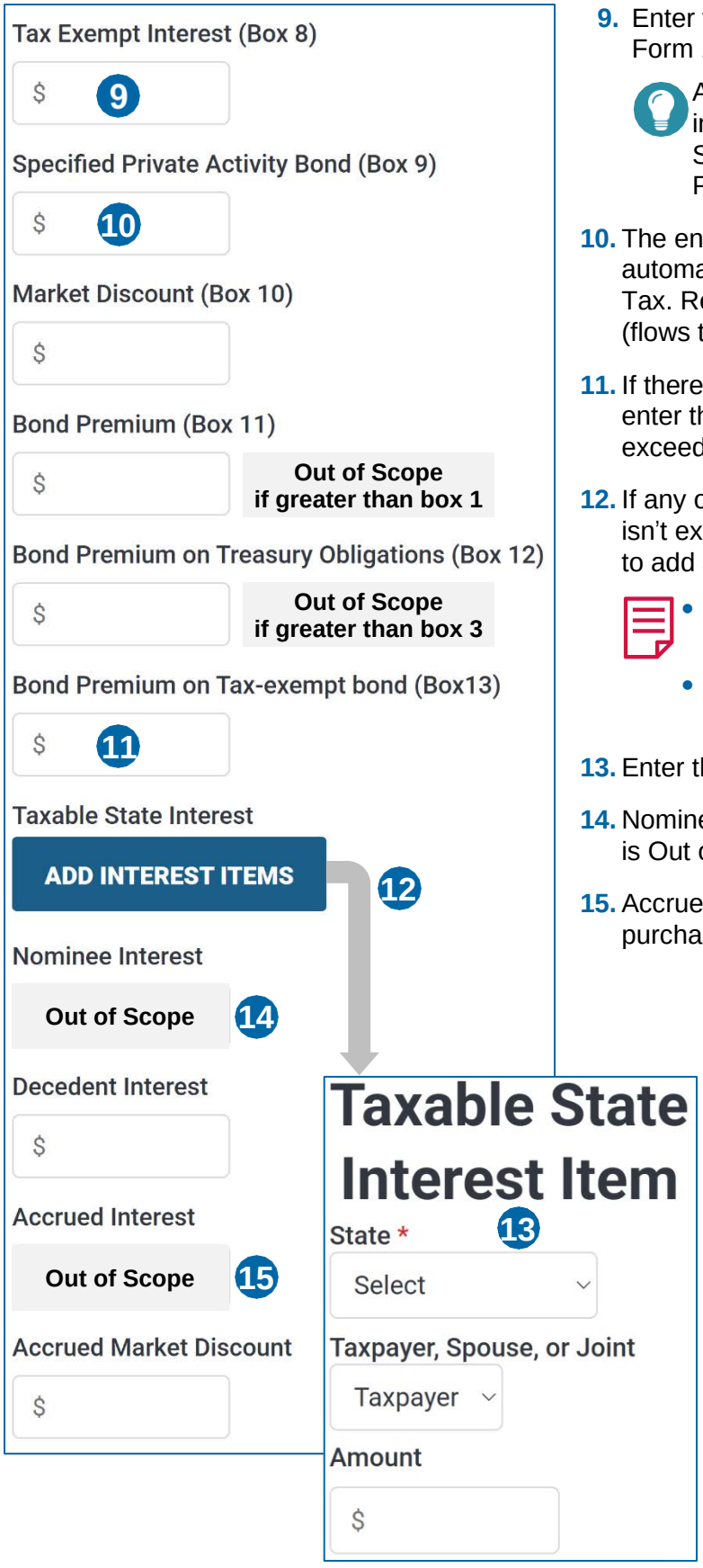
5. Enter any taxable amount from box 3 on the Interest on U.S. Savings Bonds and Treasury obligations line.
6. IMPORTANT – Box 3 entries are transferred directly when a state return is added. If state tax law treats the interest differently, enter the amount of box 3 interest that is exempt from state tax and select the state from the dropdown list. Generally, interest on U.S. government obligations (such as savings bonds, treasury bonds/bills/notes) is taxable on the federal return but isn't taxable on the state return.
7. A warning may appear if tax withheld is more than 40% of box 1. If your entries are correct, ignore the warning.
8. Enter foreign tax paid from box 6 if the taxpayer is eligible to make the Election To Claim the Foreign Tax Credit Without Filing Form 1116. Any entry here will flow as a foreign tax credit to Schedule 3, line 1.

   If the total of all foreign taxes paid/withheld exceeds $300 ($600 if filing jointly), then Form 1116 is required as the election referenced above cannot be made. Form 1116 is in scope only with International or Puerto Rico Certification. See page G-8.

Taxpayers who received less than $10 in interest from one payer may not receive a Form 1099-INT. This income must still be reported. Use the Interest Income Screen as if entering Form 1099-INT information.



Interest Income (Form 1099-INT) (cont'd)



9. Enter the amount of tax-exempt interest from box 8 of Form 1099-INT. See #12 below.

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

10. The entry for Specified Private Activity Bond will automatically carry to Form 6251, Alternative Minimum Tax. Return is Out of Scope if AMT is actually generated (flows to Schedule 2, line 2).

11. If there is an amount in box 13, subtract it from box 8 and enter the result in box 8 (enter $0 in box 8 if box 13 exceeds it). Do not enter box 13.

12. If any of the (federally) tax-exempt interest from box 8 isn't exempt from state taxes, select the **Add/Edit** button to add a Taxable State Interest item...

    - Interest on in-state municipal bonds is generally not taxable on state returns.
    - Interest on out-of-state municipal bonds is generally taxable on state returns.

13. Enter the state, owner, and amount and select **Continue**.

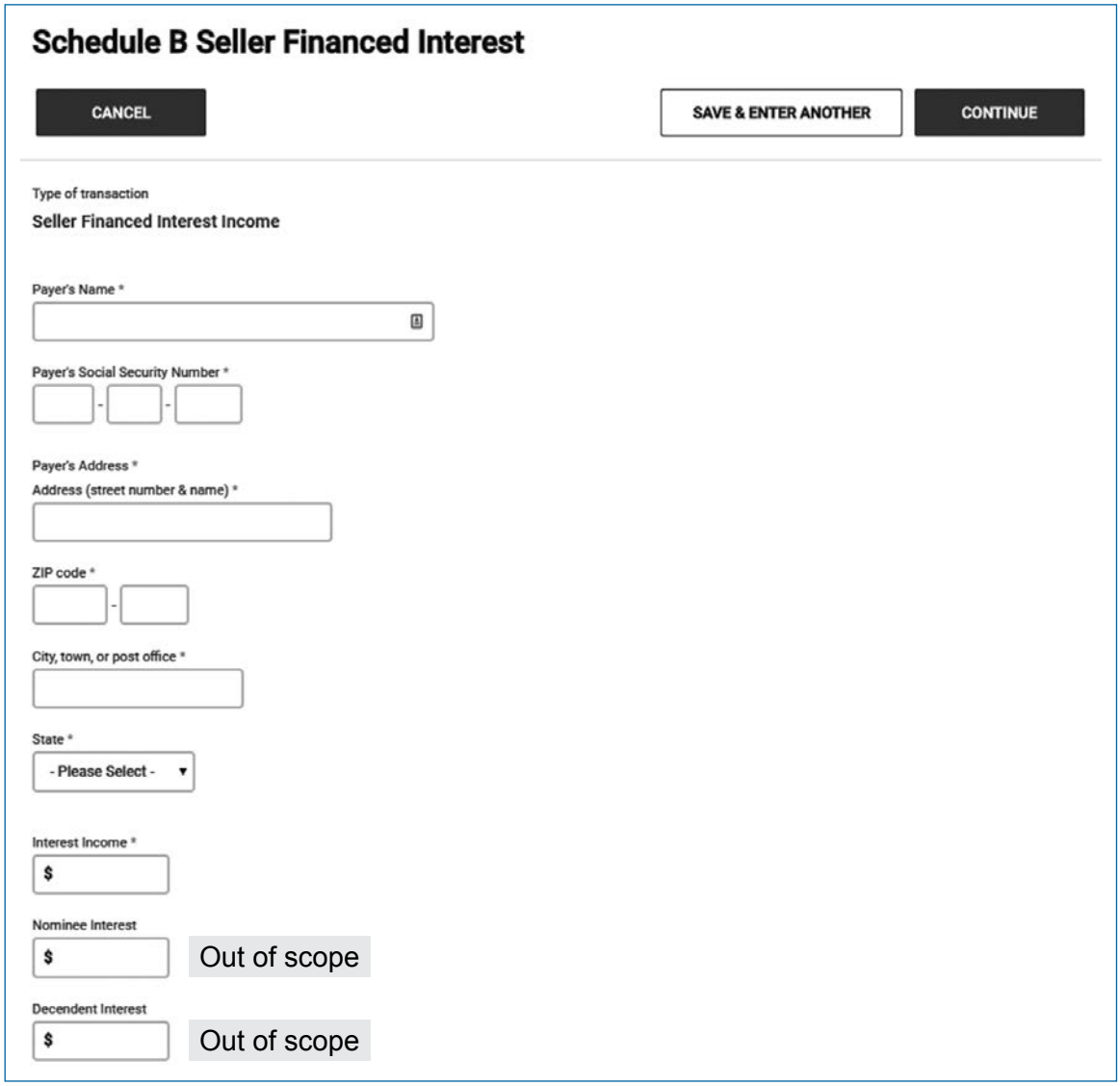
14. Nominee interest (interest transferred to another person) is Out of Scope.

15. Accrued interest (interest paid to seller at the time of purchase) is Out of Scope.

(B) Seller-Financed Mortgage Interest

Income>Schedule B - Forms 1099-INT, DIV, OID>Interest or Dividend Income>Seller Financed Interest Income; or Keyword: INT

Must have Social Security Number of payer to e-file the return. The return is Out of Scope if the taxpayer (the seller) is reporting their gain on the sale under the installment method (Form 6252).



(B/A) Dividend Income (Form 1099-DIV)

Income >Schedule B - Forms 1099-DIV, INT, OID>Interest or Dividend Income; or Keyword: DIV

Basic Certification, except Box 2b (Unrecap. Sec. 1250 gain) requires Advanced Certification.

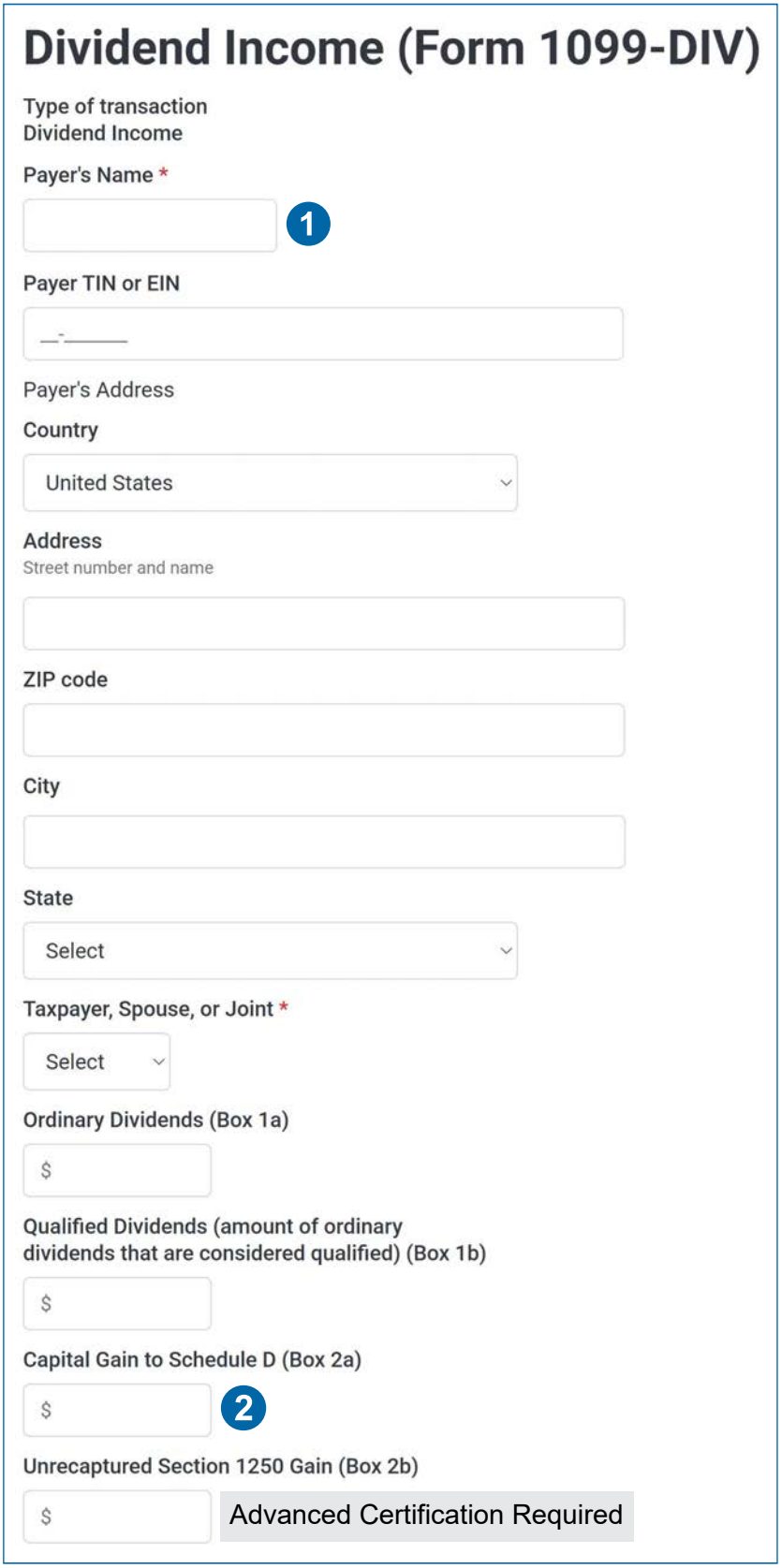
1. Enter each Form 1099-DIV separately. Enter the Payer's Name. Do not enter Payer's TIN and address unless required for state return (not required for federal returns). Don't use punctuation.
2. In the Capital Gain line, enter Box 2a total capital gain distributions from a regulated investment company (mutual fund) or real estate investment trust. This entry flows to Schedule D (or directly to Form 1040 if Schedule D is not required).

A dividend reinvestment plan (DRP) is when the cash dividend is automatically used to buy more shares. The dividend is income and included on Form 1099-DIV. The payer/broker will keep track of the new purchase.

When reviewing consolidated brokerage statements be sure to add all applicable dividend fields

Return is Out of Scope if

- there is a FATCA filing requirement (box is checked)
- alternative minimum tax (AMT) is generated on Form 6251 (flows to Schedule 2, line 2), which may occur with a large amount of dividends or interest
- net investment income tax (Form 8960) is generated. This occurs when AGI is over $200,000 (single or HOH), $250,000 (MFJ or QSS), or$125,000 (MFS) and there is taxable interest, dividends, capital gains, royalties, rent, or Form 1099-R Box 7 Code D annuities.
- any other reason outlined in the Tax-Aide **Scope Manual**.



Dividend Income (Form 1099-DIV) (cont'd)

1099-DIV Boxes 2e (Sec. 897 ordinary dividends) and 2f (Sec. 897 capital gain) are Out of Scope if the recipient was a nonresident alien (In Scope and disregarded for all others).

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

4. Box 5 amount is carried to Form 8995, Qualified Business Income Deduction Simplified Computation. No additional entry needed.

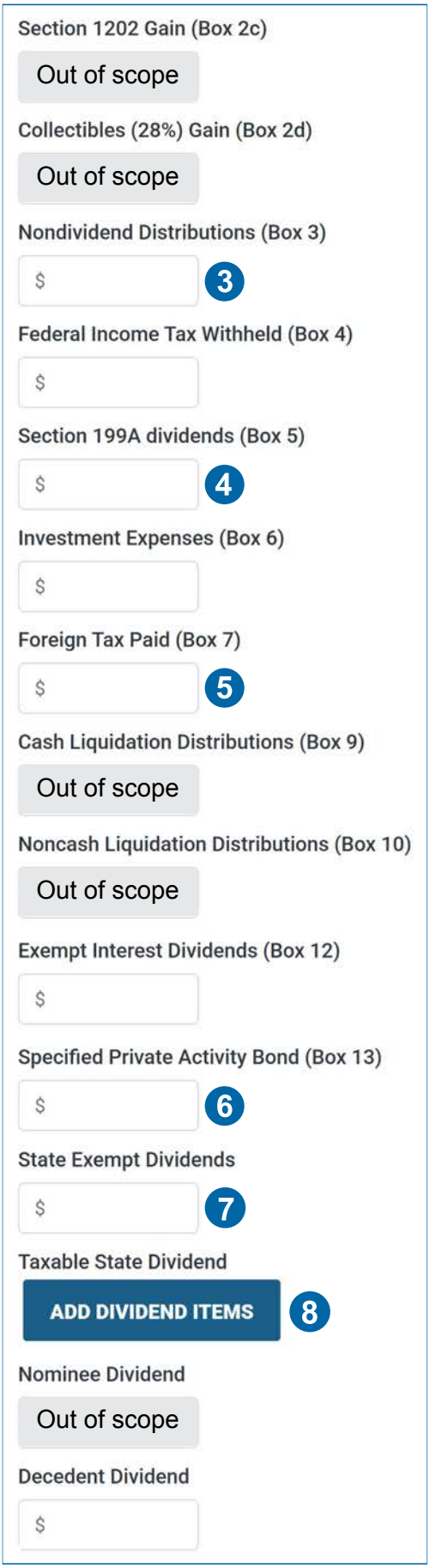
5. Enter foreign tax paid from Box 7 if the taxpayer is eligible to make the Election To Claim the Foreign Tax Credit Without Filing Form 1116. Any entry here will flow as a foreign tax credit to Schedule 3, line 1.

   If the total of all foreign taxes paid/withheld exceeds $300 ($600 if filing jointly), then Form 1116 is required as the election referenced above cannot be made. Form 1116 is in scope only with International or Puerto Rico Certification. See page G-8.

6. Specified Private Activity Bond will automatically carry to Form 6251, Alternative Minimum Tax (AMT). Return is Out of Scope if AMT is actually generated (flows to Schedule 2, line 2).

7. On the State Exempt Dividends line, enter dividends from federal bond funds which are fully taxable on the federal return but tax-exempt on the state return.

8. If any of the exempt interest dividends listed in Box 12 isn't exempt from state taxes, select the Add/Edit Dividend Items to add a Taxable State Dividend item. See state rules.



(B) State and Local Refund Worksheet

Income>Form 1099-G Box 2

The return is Out of Scope if Form 1099-G Box 3 is other than 2024, unless the refund is either wholly taxable or wholly nontaxable.

The taxpayer's state and local refund is wholly nontaxable if either a or b below apply. In this case the State and Local Refund Worksheet does not need to be completed.

a. The taxpayer didn't itemize deductions or they deducted state and local general sales taxes instead of state and local income taxes in the tax year indicated by Box 3, or

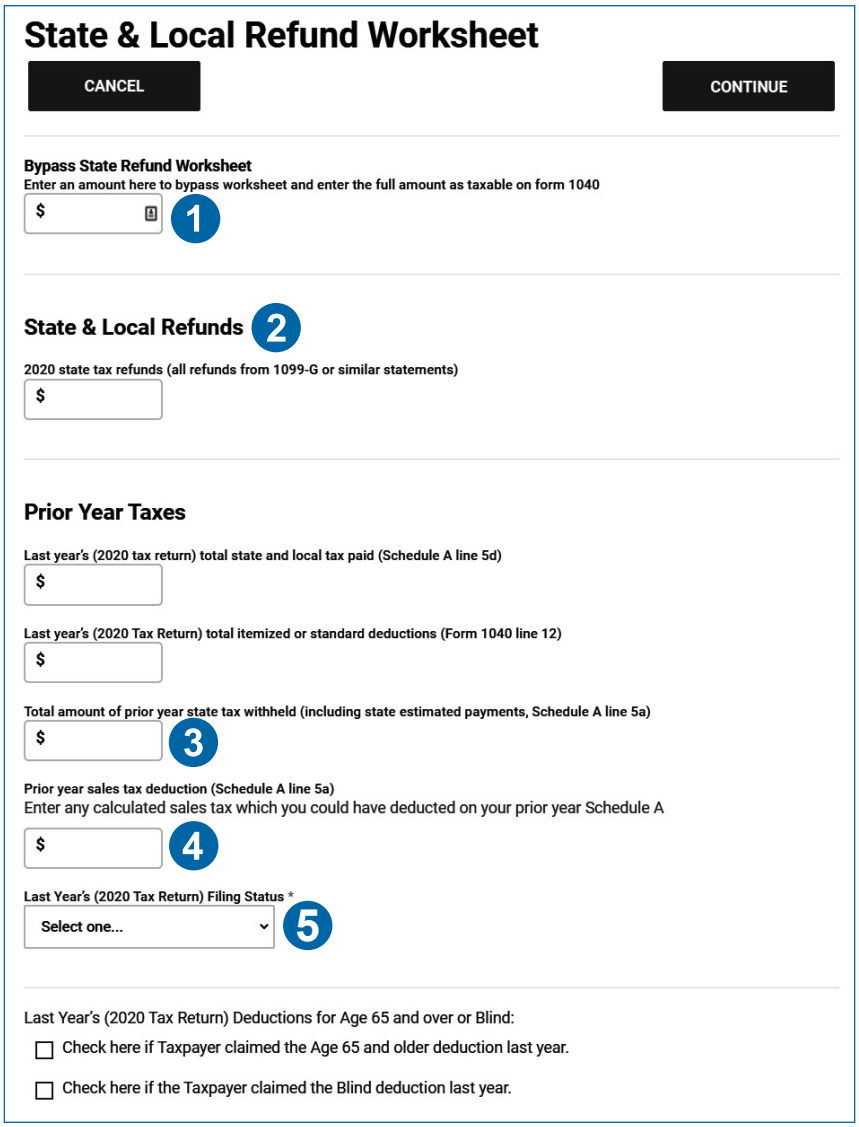
b. The total of all refunds for that tax year is less than the state and local taxes (SALT) not deducted due to that SALT limit for that year.

If neither a or b apply, you must determine the portion of the refund that is taxable, if any. The worksheet shown below can be used to calculate and include the taxable amount only if Box 3 is for the preceding tax year and none of the following apply. Otherwise, use the **Taxable Refund and Recovery Calculator** in the **Colorado Resource Toolbox** to determine the taxable amount to enter in #1 below.

- the 2024 federal return showed zero taxable income or had unused nonrefundable credits, or
- the TP made their last payment of 2024 estimated state taxes in 2025, or
- the TP had recoveries in 2025 of other deductions made in a prior year, e.g., reimbursement for a medical deduction, refund of property taxes, etc.

Any interest received on a state or local refund should be entered on the 1099-INT screen, even if it was not reported (see page D-19).

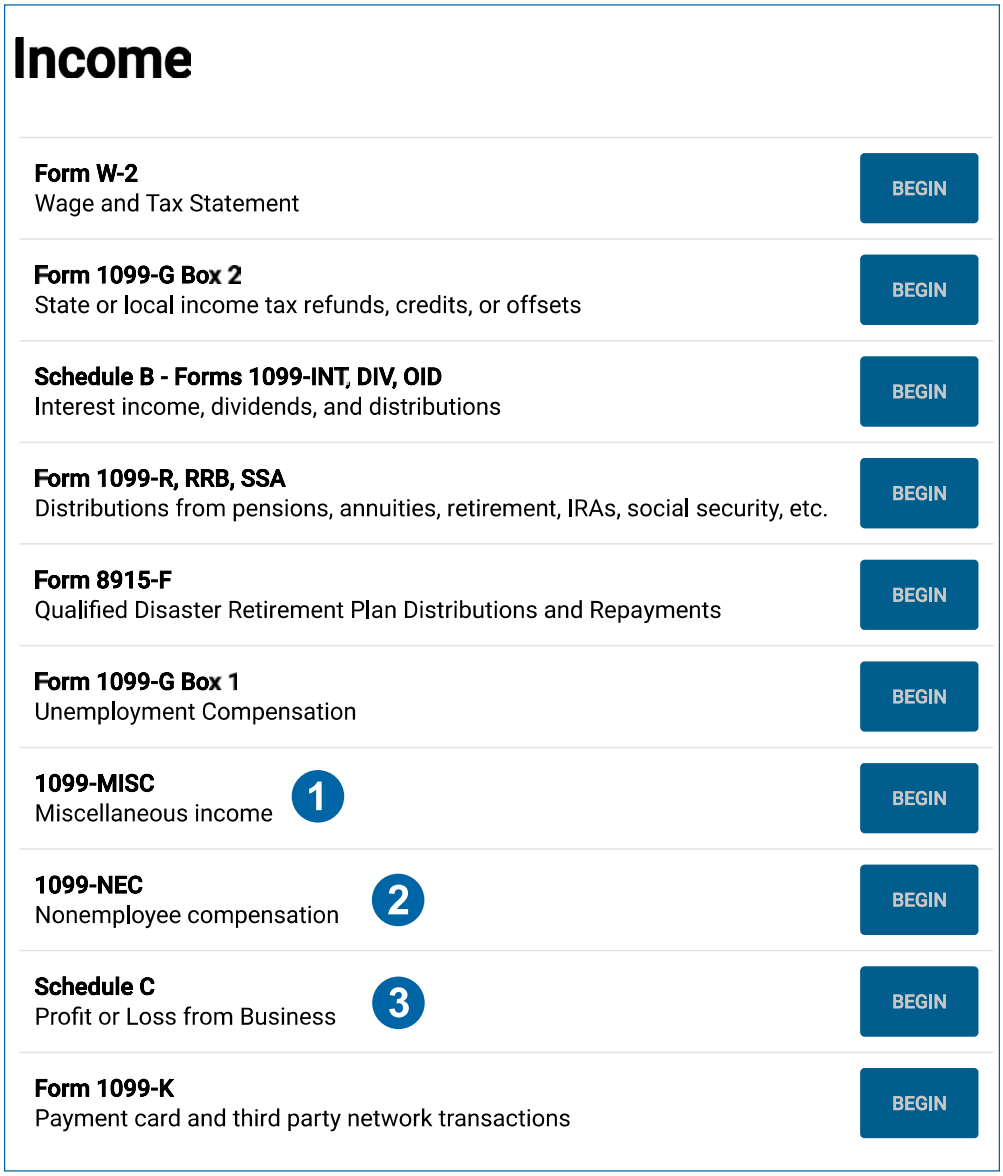
1. Any amount entered here will flow as taxable to Schedule 1, Line 1.
2. Use this worksheet to determine how much of the TY2024 state refund is taxable in TY2025, if any. Refer to the taxpayer's previous year return to enter all amounts in the spaces provided. The taxable portion will be included on the return as taxable income.
3. Include state tax withheld and state estimated payments made during 2024.
4. Enter any calculated sales tax you could have deducted on your prior year Schedule A. If the amount is not shown on that return's Schedule A, Line 5a with the box checked, you can go to the IRS **Sales Tax Deduction Calculator** to determine the amount.
5. If last year's filing status was MFS, indicate if spouse itemized deductions.



(A) Schedule C Self-Employment Income

Income>Schedule C; or Keyword: SC or BUS

1. Income reported on Form 1099-MISC that is not self-employment income is not entered on a Sch C. See page D-79.
2. If any of the self-employment income is reported on Form 1099-NEC, Nonemployee Compensation, select Form 1099-NEC first. Self-employment income reported on a Form 1099-NEC will be in Box 1, Nonemployee compensation.
3. Select Schedule C, Profit or Loss from Business, to enter self-employment income that isn't reported on a Form 1099-NEC. This would include income reported on Form 1099-K, Payment Card and Third Party Network Transactions, as well as all other cash and any other income received related to the business activity. Also, enter expenses related to the self-employment income.



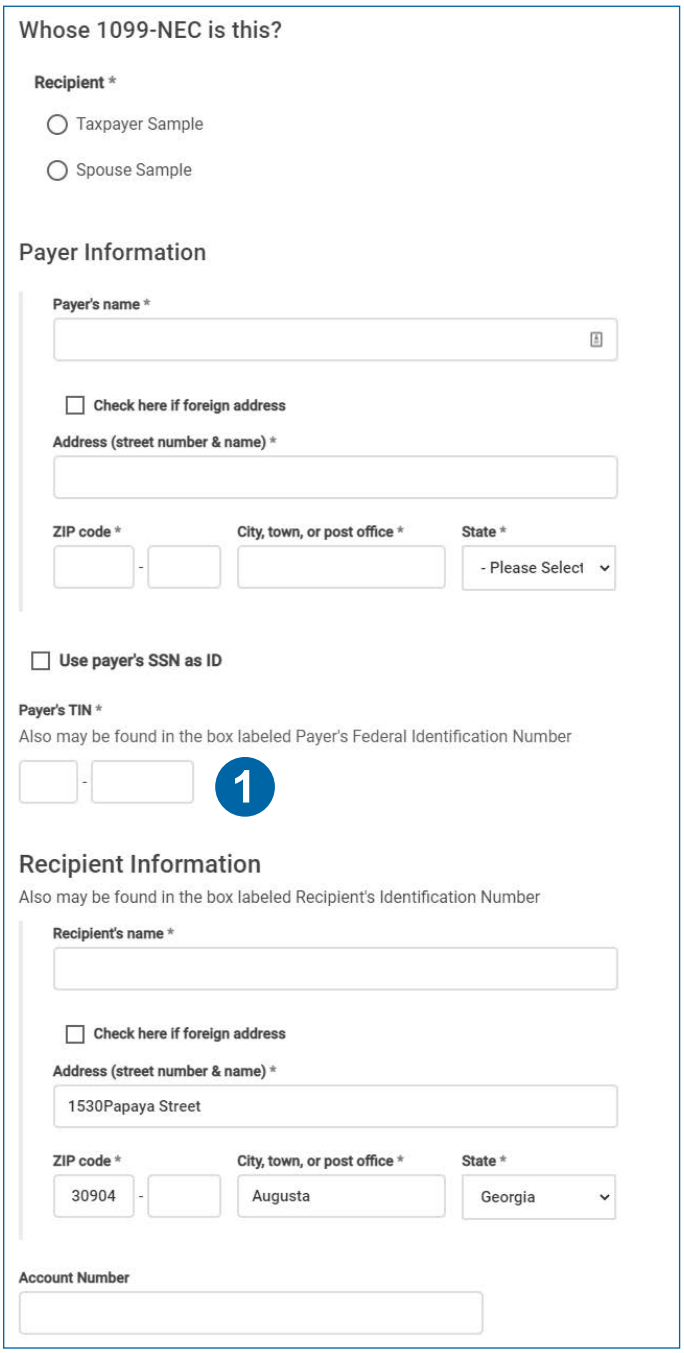
A taxpayer who received less than $600 in income from one payer may not receive a Form 1099-NEC. Likewise, a Form 1099-K may not be received if the taxpayer received $20,000 or less in gross payments or if they had 200 or fewer transactions. This income must still be reported. See **Publication 334**, Tax Guide for Small Business, and **Publication 525**, Taxable and Nontaxable Income, for additional information.

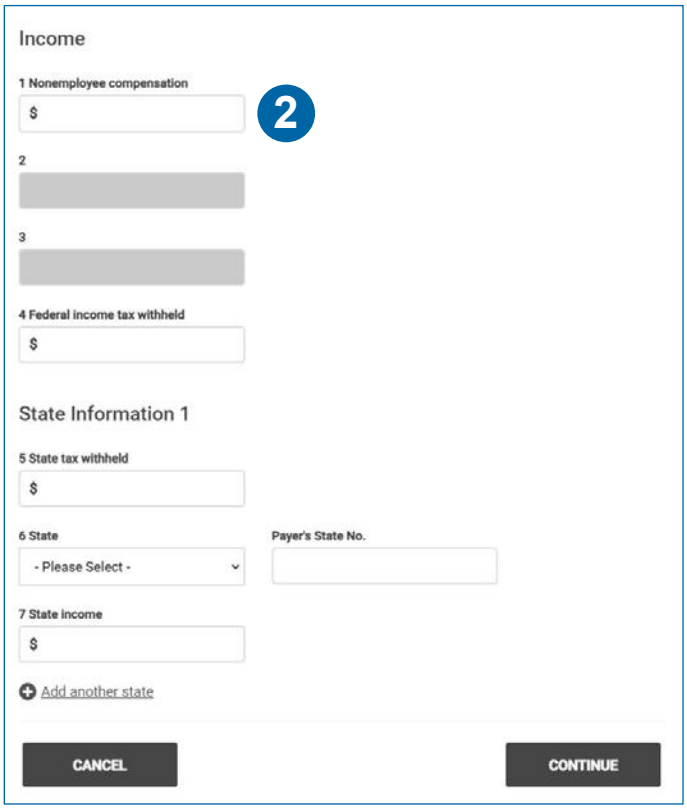
For taxpayers who have earnings as a notary, review the **Instructions for Schedule SE**, Self-Employment Tax, for reporting instructions. Report the notary income on a Schedule C in TaxSlayer, and then exclude the notary income from self-employment tax via the entry shown in #2 on page H-4.

Gig economy workers such as rideshare drivers and delivery drivers can find tax information specific to their work at the **IRS Gig Economy Tax Center** (www.irs.gov/sharing)

(A) Form 1099-NEC

Income>1099-NEC; or Keyword: NEC





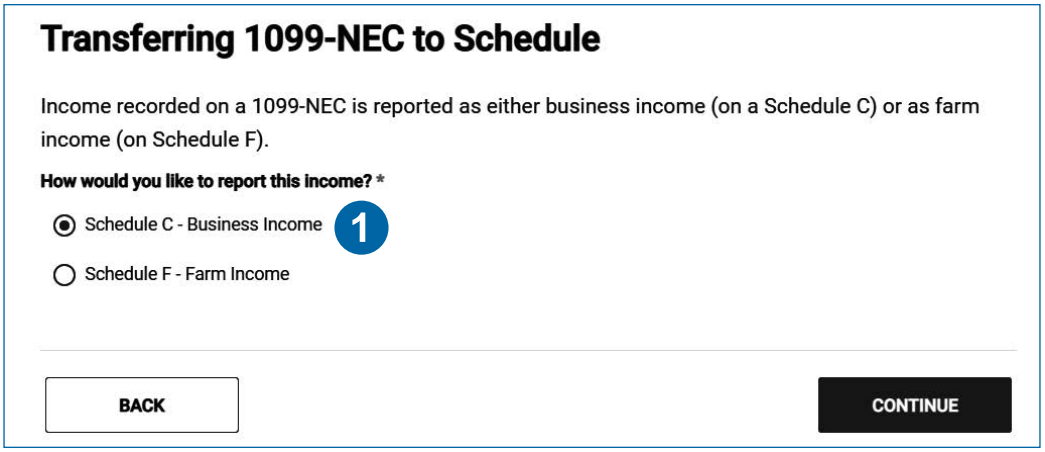
1. Enter Payer's TIN first to auto-populate the payer information.

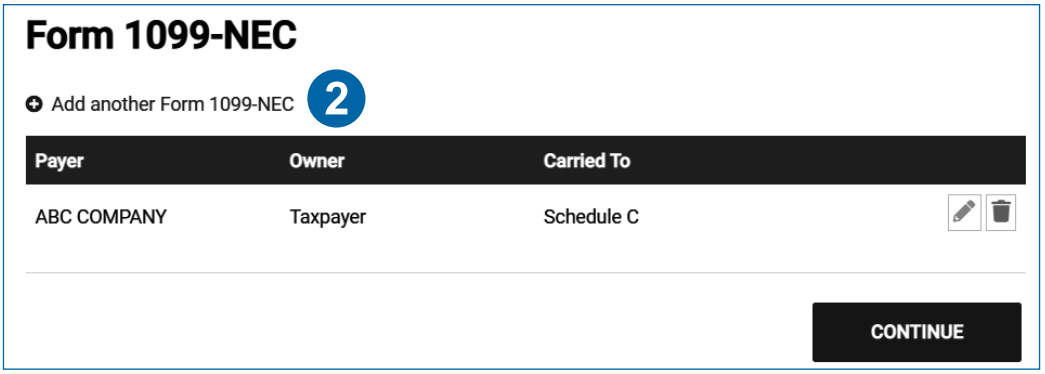
2. For a self-employed taxpayer, enter the Form 1099-NEC and then attach it to a Schedule C as described on the next page.
   - For Medicaid Waiver Payments, see page D-12.
   - For election / poll workers, see page D-79.
   - For wages earned while incarcerated, see #1 on page D-77.
   - For other taxpayers who are not an employee or self-employed, instead enter the Box 1 amount as Box 3 on the 1099-MISC screen to report this as Other Income on Schedule 1, Line 8z.

Taxpayers with nonemployee compensation that is related to a hobby (an activity that isn't engaged in for profit) are Out of Scope. See **Tax Tip 2023-61** and **Publication 525**, Taxable and Nontaxable Income, for more information.

Add a Form 1099-NEC in TaxSlayer for each 1099-NEC received.

Taxpayers should not receive a 1099-NEC for reimbursement of expenses for volunteer services; e.g., mileage. If they cannot obtain a corrected form, then enter a description and offsetting amount in Deductions>Adjustments>Other Adjustment>Adjustments not listed above.





1. Link the information from the 1099-NEC to Schedule C by selecting the **Schedule C** button and then selecting **Continue**.
2. If there is more than one Form 1099-NEC for the same business, ensure that they are all linked to the same Schedule C. To link a second Form1099-NEC click on **Add another Form 1099-NEC**, enter data, and select **Continue**. On the next screen select **Schedule C**, select **Report this income on a Schedule C I already created for my business** then choose business description and **Continue**.

If the taxpayer has more than one business, you must use a separate Schedule C for each.

Check to ensure the Form 1099-NEC is carried to the correct section of Form 1040.

If the Carried To section says “None” the income is not being reported on the return. Select Edit and link to the appropriate Schedule.

(B/A) Form 1099-K

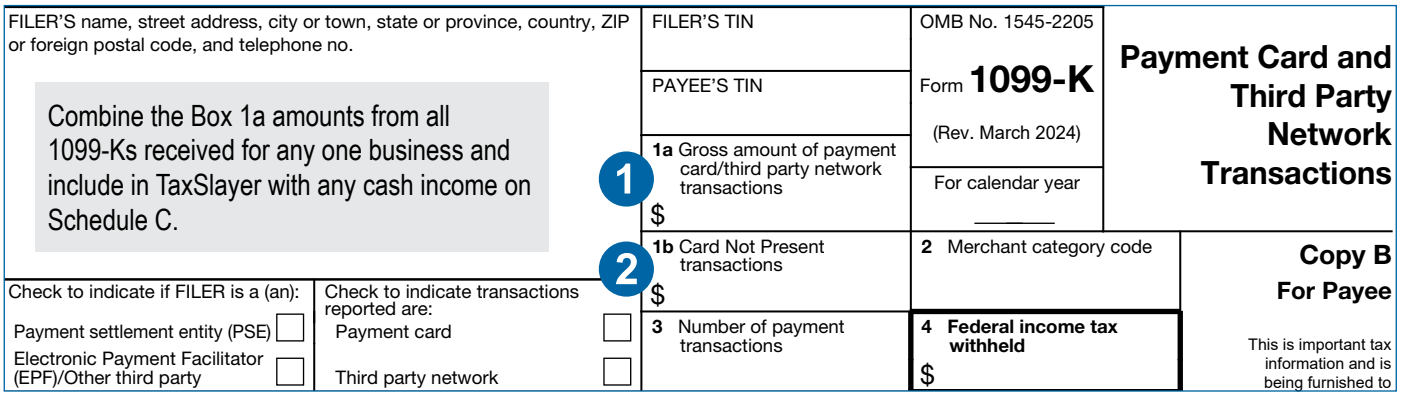
Income>Schedule C; or Keyword: SC or BUS

Basic Certification for amounts reported in error or for personal items sold at a loss (see next page). Advanced Certification is required for all other Form 1099-K reporting.

Taxpayers will receive Form 1099-K, Payment Card and Third-Party Network Transactions if they received payments:

- From payment card transactions (e.g., debit, credit, or stored-value cards), or
- In settlement of third-party payment network transactions where gross payments exceeded $20,000 and there were more than 200 such transactions.

Form 1099-K reporting by third-party settlement organizations applies only for transactions for the provision of goods or services settled through a third-party payment network.



FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.	FILER'S TIN	OMB No. 1545-2205	Payment Card and Third Party Network Transactions
Combine the Box 1a amounts from all 1099-Ks received for any one business and include in TaxSlayer with any cash income on Schedule C.	PAYEE'S TIN	Form 1099-K (Rev. March 2024)	
	1 1a Gross amount of payment card/third party network transactions $	For calendar year	
	2 1b Card Not Present transactions $	2 Merchant category code	Copy B For Payee
Check to indicate if FILER is a (an): Payment settlement entity (PSE) ☐ Electronic Payment Facilitator (EPF)/Other third party ☐	3 Number of payment transactions	4 Federal income tax withheld $	This is important tax information and is being furnished to
Check to indicate transactions reported are: Payment card ☐ Third party network ☐			

1. Box 1a shows the aggregate gross amount of payment card/third party network transactions made to you through the Payment Settlement Entity (PSE) during the calendar year.
2. The amount in Box 1b is included in the amount in Box 1a. This is the subset of transactions where the card was not present at the time of the transaction or the card number was keyed into the terminal.

Taxpayers may receive a Form 1099-K representing the total dollar amount of total reportable payment transactions. This may not be the amount you should report as income, as it may not include all the receipts and it may include items that are not included in receipts (such as sales tax). You should consider the amounts shown on Form 1099-K, along with all other amounts received, when calculating gross receipts for the taxpayer's income tax return.

Taxpayers who receive a Form 1099-K that does not belong to them should contact the PSE. If there is an error on the form, request a corrected Form 1099-K from the PSE. Taxpayers should keep a copy of any corrected Form 1099-K with their records as well as any correspondence with the PSE.

If taxpayers shared a credit card terminal with another person or business, the Form 1099-K they receive will include payment card transactions belonging to the person or business that shared the terminal, in addition to their own payments. Where required, the taxpayer should file and furnish the appropriate information return (e.g., Form 1099-K or Form 1099-MISC) for each person or business with whom they shared a card terminal. In this case, the return is Out of Scope.

General FAQs on New Payment Card Reporting Requirements (IRS.gov/newsroom/form-1099-k-faqs)

Understanding Your Form 1099-K (IRS.gov/1099k)

Gig Economy Tax Center (IRS.gov/sharing)

For details about these or other FAQs, see IRS Fact Sheet **FS-2025-08**.

Is the gain or loss on the sale of a personal item used to compute my taxable income? Is that reported on a Form 1099-K?

The **gain** on the sale of a personal item is taxable. Taxpayers must report the transaction (gain on sale) on Form 8949, Sales and Other Dispositions of Capital Assets, and Form 1040, Schedule D, Capital Gains and Losses. This is Out of Scope.

The **loss** on the sale of a personal item is not deductible. If you receive a Form 1099-K for the sale of a personal item that resulted in a loss, you should report the applicable amount from Form 1099-K in the entry space at the top of Schedule 1 (see #1 below).

Example: If you bought a refrigerator for $1,000 and sold it for $600, you have a loss of $400. Enter $600 in the entry space at the top of Schedule 1 to report the personal item sold at a loss (see #1 below).

How do I account for the fees I paid to an online marketplace related to the sale of my personal items?

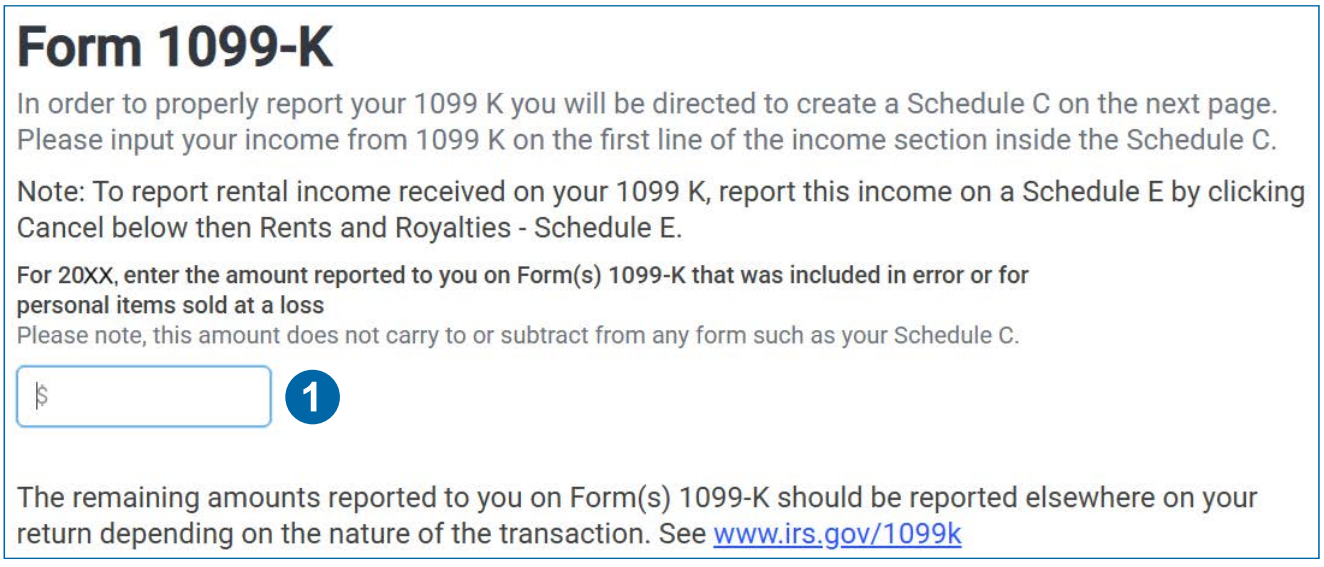
You should include all fees (e.g., selling fees, payment processing fees, etc.) associated with the sale of your personal items in your basis when computing your gain or loss on the sale.

My friend and I went to a concert, and my friend reimbursed money to me for her concert ticket through an online application. If I get a Form 1099-K for the reimbursement, do I need to pay taxes on it?

Because the money is not payment for the sale of goods or the provision of services, generally the reimbursement would not be taxable to you. If you cannot get the form corrected, the error should be reported in the entry space at the top of Schedule 1 (see #1 below).

(B) Form 1099-K: Amounts Reported in Error or for Personal Items Sold at a Loss

Income>Form 1099-K



1. Enter the amount reported on Form(s) 1099-K that was included in error or for personal items sold at a loss. This will be carried to the unnumbered entry space at the top of Schedule 1. After selecting Continue, TaxSlayer will jump to Schedule C. If all payments have been accounted for and Schedule C is not required, you can select Cancel.

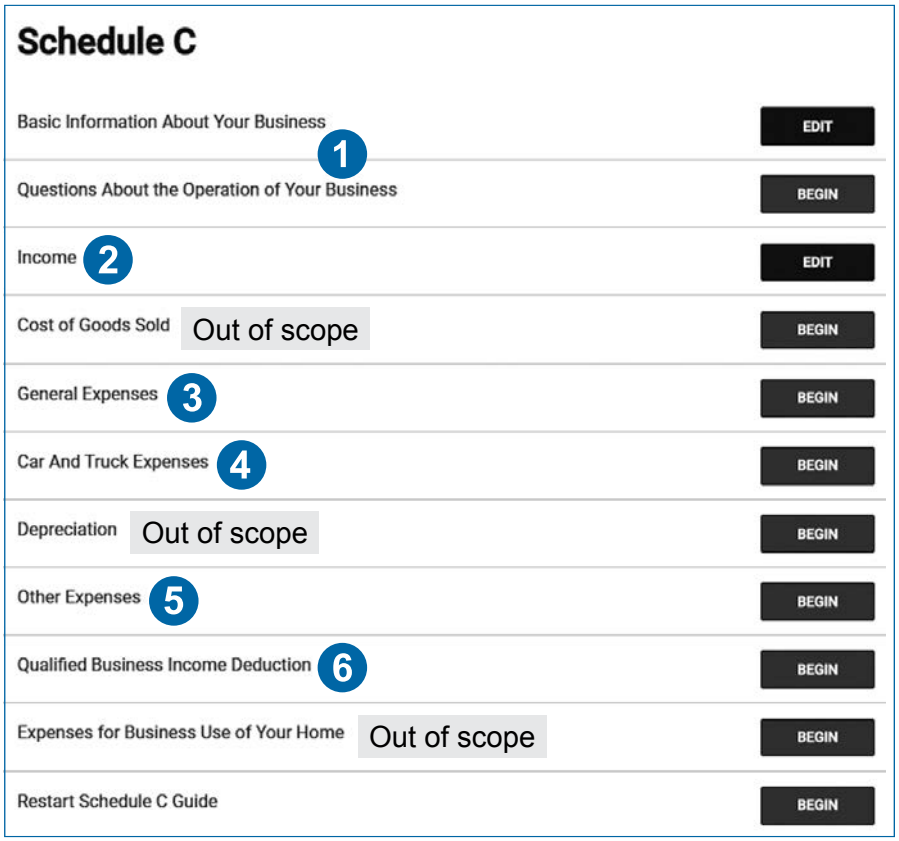
(A) Schedule C – Menu

Income>Schedule C; or Keyword: SC or BUS

Businesses with inventory, employees, contract labor, depreciation, individual asset purchases exceeding $2,500, business use of the home, expenses over $50,000 or a net loss are Out of Scope.

Taxpayers may benefit from using the NTTC **Self-Employed (Sch C) Worksheet**.

1. Complete Basic Information About your Business and Questions About the Operation of Your Business for every Schedule C.
2. Select **Income** to enter any income for the business that was not reported on Form 1099-NEC, such as cash income or income from a Form 1099-K.
3. Most business expenses are entered in the General Expenses section.
4. See Schedule C – Car and Truck Expenses on page D-36.
5. Select **Other expenses** to enter any expenses not listed under General Expenses; e.g., training for this business, business part of phone, vehicle expenses not included in standard mileage rate, etc.
6. Qualified Business Income Deduction – See page F-18.



If the business accepted credit or debit cards in payment or received payments via 3rd party network, it may receive Form 1099-K Payment Card and Third Party Network Transactions (see note below).

Taxable income reported on Form 1099-K is in scope if received for self-employment income (such as shared-economy driving). Make sure the total shown on the 1099-K is included, along with any cash income, on Schedule C income section. A Form 1099-K received for rental income is in scope for Military certification only. Forms 1099-K received for any other type of taxable income are Out of Scope.

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

Taxpayers may elect to apply a de minimis safe harbor to amounts up to $2,500 per invoice or item paid to acquire, produce, or repair tangible property used in the taxpayer's trade or business. This can be accomplished by clearly labeling the expense as "Section 1.263(a)-1(f) de minimis safe harbor election" in Other Expenses.

For more details on business expenses, see **Publication 334**, Tax Guide for Small Business.

(A) Schedule C – Questions About Your Business

1. To be in scope, the Accounting Method must be Cash Method and there can be no inventory, no cost of goods sold, no employees, no business use of the home, and no depreciation (completing Form 4562, Depreciation and Amortization).
2. Even if there is no inventory, leave the default inventory method (Cost) as is.
3. In most cases, the taxpayers do materially participate in the business. This means that the taxpayer ran the business and did the work.
4. If the taxpayer has a business loss carried over from another tax year or is required to file a Form 1099, the tax return is Out of Scope.

Schedule C Questions

Questions about your Business

Accounting Method * 1

- (●) Cash
- ( ) Accrual
- ( ) Other

Method used to value closing inventory *

- (●) Cost 2
- ( ) Lower of cost or market
- ( ) Other

- [ ] Check here if there were any changes in determining inventory.
- [ ] Check here if this is the first Sch. C filed by you for this business.
- [x] Check here if you "materially participated" in the operation of this business during the tax year. 3

This box must be checked to allow a net loss on your return.

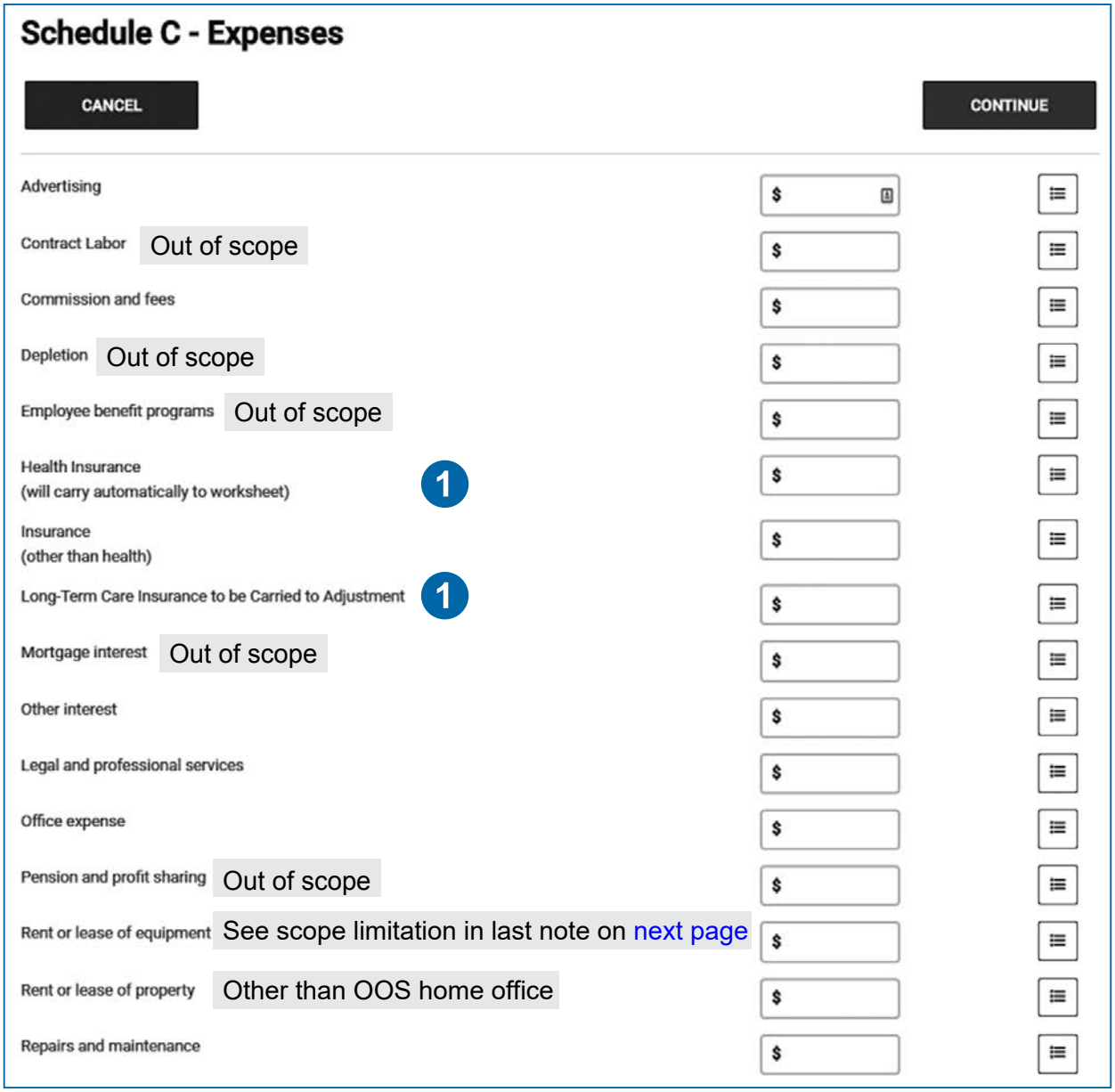
Prior year unallowed loss (ONLY enter an amount if current year's activity is a net profit.)

$ 4

- [ ] Check here if you made any payments in 2022 that would require you to file Form(s) 1099. 4
- [ ] Check here for Qualified Joint Venture. (Ownership between Taxpayer and Spouse must be 50/50. **If you are filing Business Use of Home deductions or using the Clergy Worksheet, you will need to file separate Schedule C forms, one for each spouse)**
- [ ] Check here to Prorate Expenses for Minister/Clergy.

(A) Schedule C – General Expenses

Income>Schedule C>General Expenses; or Keyword SC or BUS



1. Enter allowable premiums for the Self-Employed Health Insurance (SEHI) Deduction. Long-Term Care (LTC) Insurance premiums must be entered separately from Health Insurance premiums for TaxSlayer to generate Form 7206 correctly. See the third and fourth notes on the next page and also see page D-34.

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

See **Publication 334**, Tax Guide for Small Business, for more details, including applicable limits and limitations, e.g., for meals or travel.

Schedule C – General Expenses (cont'd)

All allowable and documented expenses must be reported on Sch C. If any deductible expenses are Out of Scope, the entire return is Out of Scope and taxpayer should be referred to professional preparer. There is no option to disregard allowable expenses.

The following expenses are Out of Scope: Contract Labor, Depletion, Employee benefit program, Mortgage interest, Pension and profit sharing, and Wages. Health Insurance is in scope for Self-Employed Health Insurance deduction only.

Use the TaxSlayer Schedule C entry screen Health Insurance and Long-Term Care Insurance boxes for the self-employed health insurance deduction. See the next page for more details, including the caution for returns that have both a Schedule C and a Premium Tax Credit (Out of Scope unless the exception applies).

Form 7206 is required for the self-employed health insurance deduction if any of the following apply:

- You had more than one source of income subject to self-employment tax
- You file Form 2555 (in scope with International Certification only)
- You are using amounts paid for qualified long-term care insurance to figure the deduction

Car and truck expenses aren't entered on the General Expenses screen shown on the prior page. Those expenses are entered on a separate screen shown on page D-36.

See the NTTC's **Understanding Uber's Tax Summary** for an explanation of how Uber reports certain deductible expenses to drivers in their tax summary.

Vehicle rentals or leases for a term of 30 days or more are Out of Scope. If the taxpayer uses the standard mileage rate method for business miles of a leased vehicle, the return remains in scope.

Expenses that aren't deductible include bribes and kickbacks; charitable and political contributions; demolition expenses or losses; and dues paid to business, social, athletic, luncheon, sporting, airline, and hotel clubs. For details and exceptions, see Tax-Aide's **NTTC 4491**, *Income - Business* lesson, *Expenses that are not deductible*.

(A) Self-Employed Health Insurance (SEHI) Deduction

The SEHI deduction is an adjustment to income available to self-employed individuals reporting a net profit on Schedule C, limited to its net profit reduced by the deduction for one-half of the self-employment tax.

1. **Health and long-term care (LTC) insurance coverage** can be for the self-employed individual (taxpayer or spouse) and/or for their spouse, dependents, and non-dependent children under age 27 at the end of the tax year. Children also includes step-, foster, and adopted children.
   a. Health Insurance (other than LTC Insurance) includes medical, dental, and vision policies; e.g., Medicare, Medigap, private health insurance, coverage through a current or prior employer (but see (b) below), etc. If coverage was purchased through the ACA Marketplace, then ...

      ⚠ The return is Out of Scope if there is a Schedule C with a net profit and the taxpayer is eligible to take the premium tax credit (PTC). Exception: return remains in scope if the SEHI deduction limit is fully met by eligible non-Marketplace insurance, such as LTC insurance, Medicare, etc. In that case, enter the Marketplace insurance net premium as a deduction on Schedule A instead of using it for the SEHI deduction (see page F-9, #2).

   b. Policy must have been in the insured individual's name (taxpayer, spouse, dependent, or eligible child) or in the name of the business. Includes all parts of Medicare. Multiple policies can be used to figure the SEHI deduction.

   c. Premiums must <u>not</u> have been on a pre-tax basis, reimbursed, or deducted/excluded elsewhere on the tax return. For a retired public safety officer (PSO), premiums not used for the PSO exclusion can be used for the SEHI deduction or as an itemized deduction (see note at top of next page).

   d. Premiums must have been paid by the taxpayer (or spouse if MFJ). Medicare premiums deducted from Social Security benefits of the taxpayer (and spouse if MFJ) can be used to figure the SEHI deduction.

2. **Perform a monthly test** for Health Insurance and sum the premiums for months not excluded per (a) below. Separately perform a monthly test and summation for LTC Insurance per (b) below. It is not required that the business ran in a given month to be able include premiums for that month.
   a. Monthly test for Health Insurance: Exclude all health insurance premiums for months in which the sole proprietor was *eligible* to participate in any type of health insurance plan subsidized by any current employer: their own, their spouse's, or that of a dependent or under 27 child (even if the sole proprietor did not actually participate). Test each month separately if circumstances changed during the tax year. For months not eliminated by this test, include health insurance premiums that are eligible per #1 above.

   b. LTC Insurance: Retest each month per the above paragraph, but substitute "qualified LTC insurance" for "health insurance." For any months not eliminated by this test, include qualified LTC premiums limited to the age-based deduction cap for Schedule A (see page F-9, #4).

3. **TaxSlayer:** Enter the premiums calculated in step 2 in Schedule C, General Expenses in the boxes for Health Insurance or Long-Term Care Insurance, as applicable (these premiums must be entered separately for TaxSlayer to generate Form 7206 correctly, see pages D-32 and D-33).

   N Income>Schedule C>General Expenses; or Keyword SC or BUS

   a. While entered on this screen, these premiums are not actually included in Schedule C expenses. They instead flow as an adjustment on Schedule 1, Line 17.

   b. To avoid double counting, do not enter the same premiums in more than one screen: for SEHI deduction, as Schedule A – Medical Deductions, or as Medicare premiums on the Social Security income screen.
      • TaxSlayer automatically carries amounts entered for SEHI in excess of the limit to Schedule A.

   c. If there is more than one Schedule C, allocate premiums across them to maximize the SEHI deduction.

Self-Employed Health Insurance (SEHI) Deduction (cont'd)

SEHI versus Schedule A deduction: If taxpayer itemizes deductions, compare results for federal and state returns first using the SEHI deduction (premiums for SEHI excluded from Schedule A medical expenses), and then not using the SEHI deduction (premiums only included in Schedule A medical expenses). The latter scenario often results in lower taxable income even though the AGI is greater.

Do not double count or omit medical expenses when changing from one scenario to the other. Complete and review all other sections of the return before making this comparison. Compare the federal plus state impacts to determine which scenario is better, but also consider the next caution.

If this year's modified AGI exceeds an inflation adjusted threshold, an income-related adjustment may increase Medicare Part B and D premiums for a future year (see **SSA: Medicare Premiums**).

Example 1: Judy's self-employment income is reported on a Schedule C. She had privately purchased dental and LTC policies for her and her spouse. Judy was not offered subsidized LTC insurance (LTCI) at any point.

- Judy declined an offer of subsidized medical coverage through her spouse's employer for January through March. For these 3 months, the monthly test indicates that for the SEHI deduction:
  - Judy must exclude all health insurance premiums (medical, dental, and vision) for herself and her spouse since Judy had an offer for subsidized health insurance (medical, dental, or vision) from a current employer.
  - Judy can include the LTC premiums for herself and her spouse since the monthly test is performed independently for LTCI and Judy had no offer of subsidized LTCI.
- Judy had no offer of employer subsidized health insurance coverage from April onward after her spouse retired, so the monthly test is no longer an issue for health insurance. Therefore, for the last 9 months of the year Judy can include her family's premiums for both health and LTC insurance for the SEHI deduction.

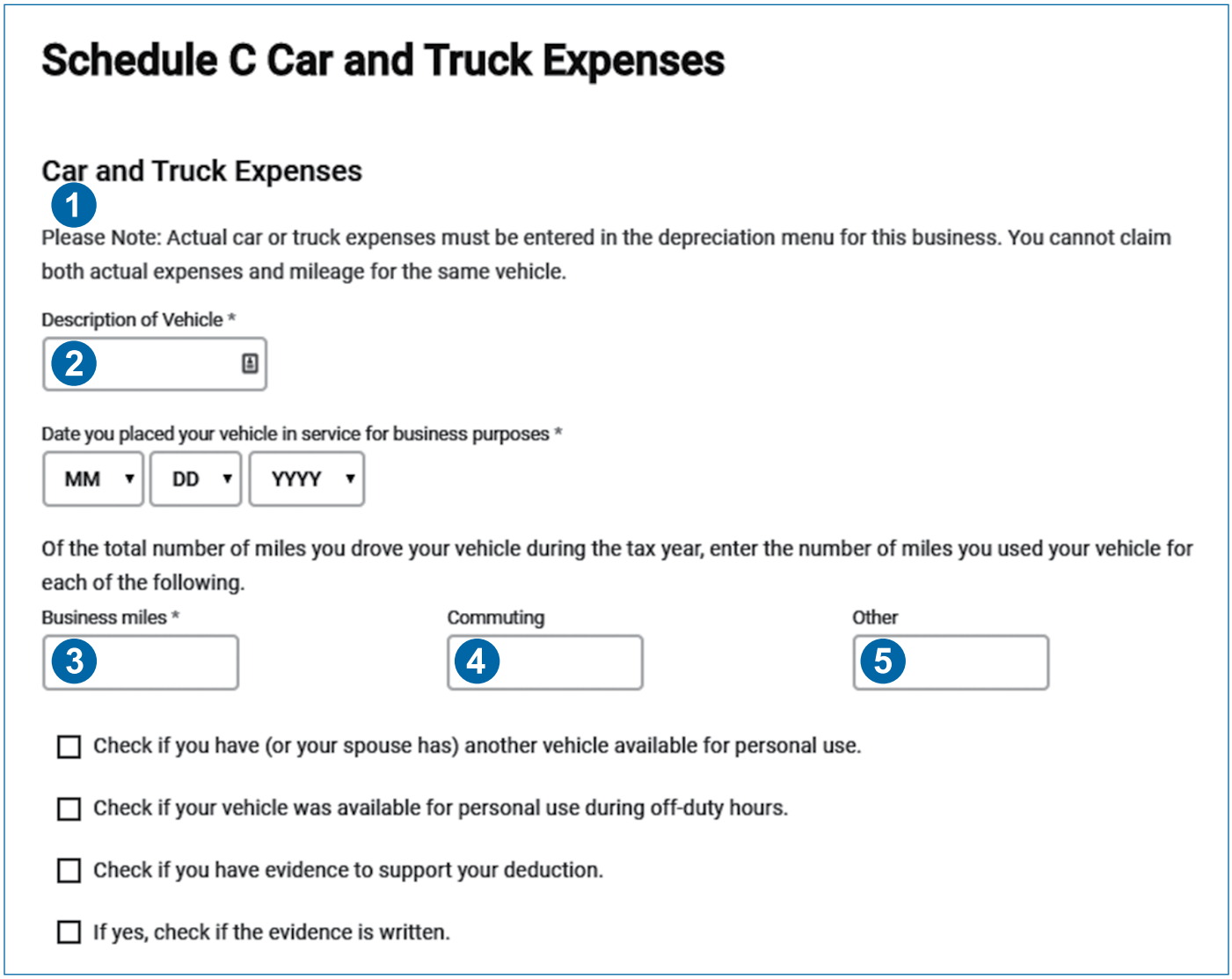
Example 2: Bob has a SEHI deduction limit of $5,241, which is his Schedule C net profit reduced by half of the self-employment tax. Bob paid $2,096 for Medicare coverage for himself, but his spouse and daughter were covered by a Marketplace (ACA) insurance policy. You confirmed in the intake interview that they did not have any other health or LTC insurance and that Bob did not have any offer for employer subsidized health or LTC insurance. Bob is filing a joint return with his spouse and they are eligible for the Premium Tax Credit (PTC). Bob's return is Out of Scope per the scope caution on the prior page (regardless of if an APTC was received or if the return is showing an excess APTC versus an additional PTC).

Example 2a: Same scenario as example 2, but Bob also paid $5,000 for a qualified LTC insurance policy, which was limited by his age of 67 to $4,710. His eligible non-Marketplace premiums sum to $6,806 ($2,096 for Medicare + $4,710 for LTCI). Per the exception in the scope caution on the prior page, Bob's return now remains in scope since his $5,241 SEHI deduction limit was fully met by these non-Marketplace premiums. If all of the non-Marketplace premiums were entered for the SEHI deduction, then TaxSlayer would automatically carry the excess ($6,806 - $5,241) to Schedule A. The net Marketplace premiums can be manually entered on Schedule A, but not used for the SEHI deduction.

Example 3: Betsy's self-employment income is reported on a Schedule C. She had no health or LTC insurance, so the SEHI deduction is not applicable (no premiums). The scope caution on the prior page is also not applicable since Betsy is not eligible for the PTC (she did not have Marketplace insurance)

(A) Schedule C – Car and Truck Expenses

Income>Schedule C>Car and Truck Expenses; or Keyword: SC or BUS



1. Using actual expense deductions, such as gas, repairs, and depreciation, is Out of Scope.
2. Enter a brief description of the car, van, pickup or truck; for example, 2008 Ford.
3. Business miles: Miles related to the business activity that aren't commuting miles. For-hire drivers who have mileage in between customer pick-ups can claim the mileage as a business expense.
4. Commuting miles: Miles driven each day from home to the first business location and driven from the last business location back home.
5. Other: Miles driven for personal purposes.

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

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

Schedule C – Car and Truck Expenses (cont'd)

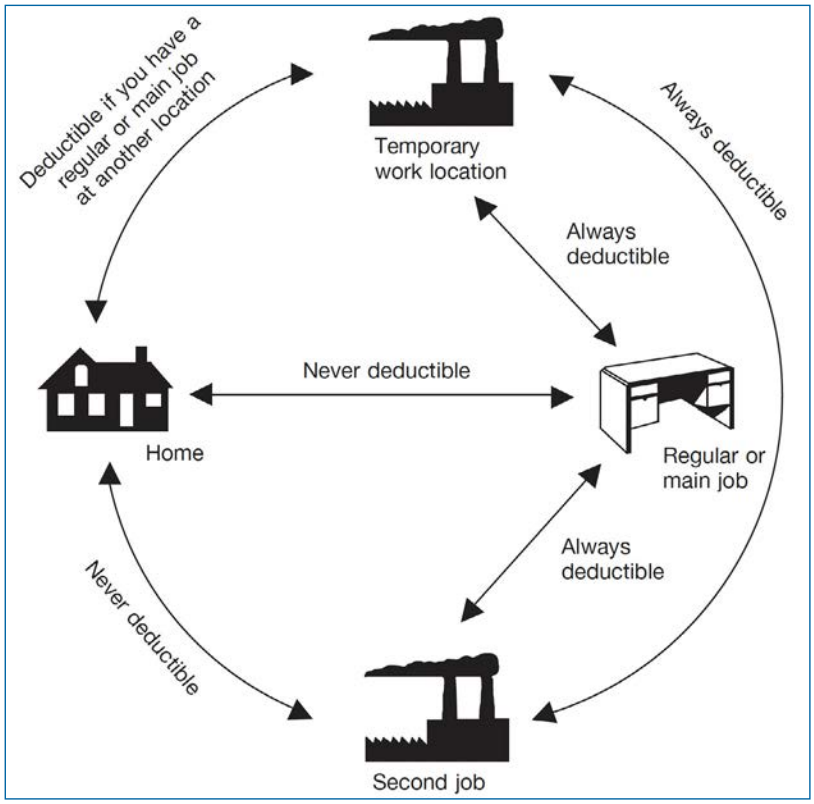
The car and truck expense deduction will automatically be calculated using the standard mileage rate, based on the number of business miles entered. The rate for 2025 is 70 cents per mile. Taxpayer should have a written record (log or appointment book). In addition, the taxpayer can deduct the cost of business parking and tolls and the business part of registration tax. Commuting and other personal automobile expenses such as parking tickets or traffic fines are not deductible.

The following expenses are included in the standard mileage rate and cannot be deducted when using this rate: depreciation, lease payments, maintenance and repairs, gasoline (including gasoline taxes), oil, insurance, and the nontax portion of registration.

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

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

Self-employed taxpayers can use this chart. Don't use this chart if your home is your principal place of business (Out of Scope). This chart can also be used for Armed Forces reservists (Military Certification only), fee-based state or local government officials, and employees with impairment-related work expenses. Employees who do not fit into one of the listed categories may not use this chart.



Home: The place where you reside. Transportation expenses between your home and your main or regular place of work are personal commuting expenses.

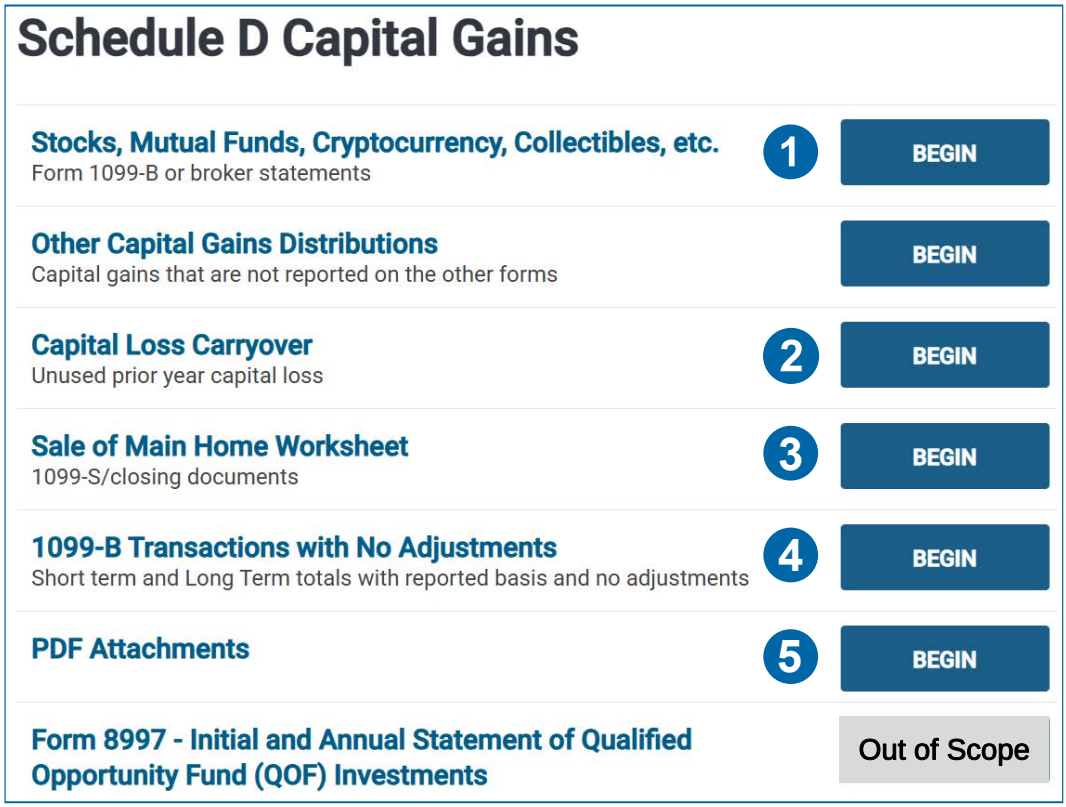
Regular or main job: Your principal place of business. If you have more than one job, you must determine which one is your regular or main job. Consider the time you spend at each, the activity you have at each, and the income you earn at each.

Temporary work location: A place where your work assignment is realistically expected to last (and does in fact last) one year or less. Unless you have a regular place of business, you can only deduct your transportation expenses to a temporary work location outside your metropolitan area. For overnight travel expenses, see **IRS Topic 511 Business Travel Expenses**

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

(A) Schedule D – Capital Gains and Losses

Income>Schedule D/Form 8949; or Keyword: CAP



1. Information about the sale of capital assets is typically reported on Form 1099-B, Proceeds From Broker and Barter Exchange Transactions, or on a substitute statement, often included in a broker's Consolidated 1099 Statement. Capital transactions entered in this section will populate Form 8949, Sales and Other Dispositions of Capital Assets. Totals from each Form 8949 will flow to Schedule D, Capital Gains and Losses. See page D-41 for details if the simplified method described in #4 below does not apply.
2. See next page for details on capital loss carryovers.
3. See page D-46. for details on the sale of a personal residence.
4. A simplified method to report a summary of capital transactions is available ONLY if the cost basis was reported to the IRS and there are no adjustments to cost basis, capital gain or loss. This entry will carry directly to the correct line of Schedule D. See page D-40.
5. Select PDF Attachments to attach required documents for inclusion in the e-file. Although located in the Schedule D menu, you can also attach documents unrelated to Schedule D. **Tax-Aide Best Practice:** Do not attach Form 8453 or related forms/statements. See page K-14 for more details.

   Income>Schedule D/Form 8949>PDF Attachments

Transactions involving digital assets (virtual currency), such as a disposition, sale, exchange or transfer, are Out of Scope. However, the tax return is in scope if the taxpayer is able to select No to the digital asset question on Form 1040. See the **Tax-Aide Scope Manual** and **www.irs.gov/virtualcurrencyfaqs**

Return is Out of Scope if net investment income tax (Form 8960) is generated. This occurs when AGI is over $200,000 (single or HOH), $250,000 (MFJ or QSS), or $125,000 (MFS) and there is taxable interest, dividends, capital gains, royalties, rent, or Form 1099-R Box 7 Code D annuities.

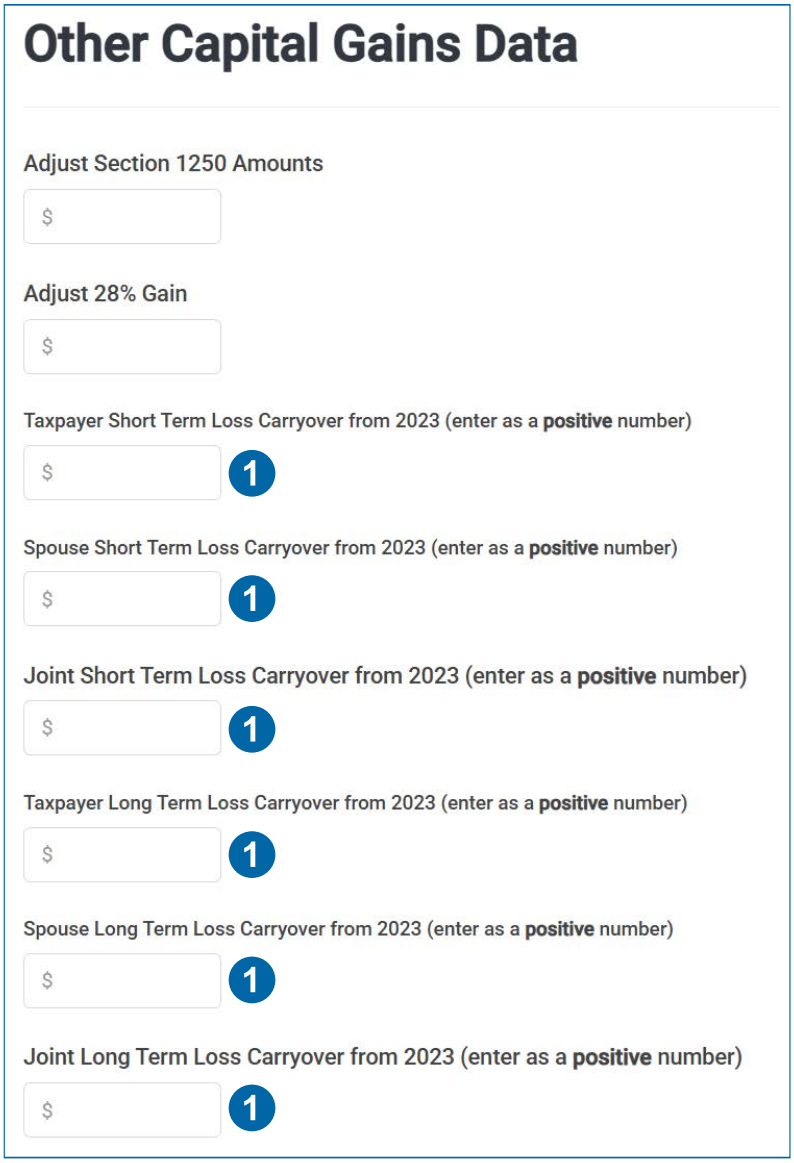
(A) Entering Capital Loss Carryovers

If the prior year return shows a capital loss, check the prior year return for a Capital Loss Carryover worksheet to see if there are short- or long-term carryover losses to enter on this screen. If TaxSlayer did not carry forward the prior year data and this worksheet is missing from the printed prior year return, then create a **Capital Loss Carryover Worksheet** in the **Colorado Resource Toolbox**.

1. Enter short- and long-term capital loss carryovers separately. For a joint return, further separate these entries by taxpayer, spouse, and joint.

Net capital losses greater than $3,000 ($1,500 if MFS) carry over to future tax years. Smaller capital losses also carry over if taxable income is $0 due to deductions exceeding AGI as the full loss couldn't be absorbed.

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



The year labeling on a Capital Loss Carryover Worksheet printed from TaxSlayer may be off by one year. e.g. the worksheet generated with the TY2024 return calculates the carryover from TY2024 to TY2025, but *may* incorrectly say 2023 and 2024 instead of the correct 2024 and 2025. Likewise, the worksheet produced with the TY2025 return calculates the carryover from TY2025 to TY2026, but *may* say 2024 and 2025 instead of 2025 and 2026.

(A) Entering 1099-B Transactions with No Adjustments

Income>Schedule D/Form 8949>1099-B Transactions with No Adjustments

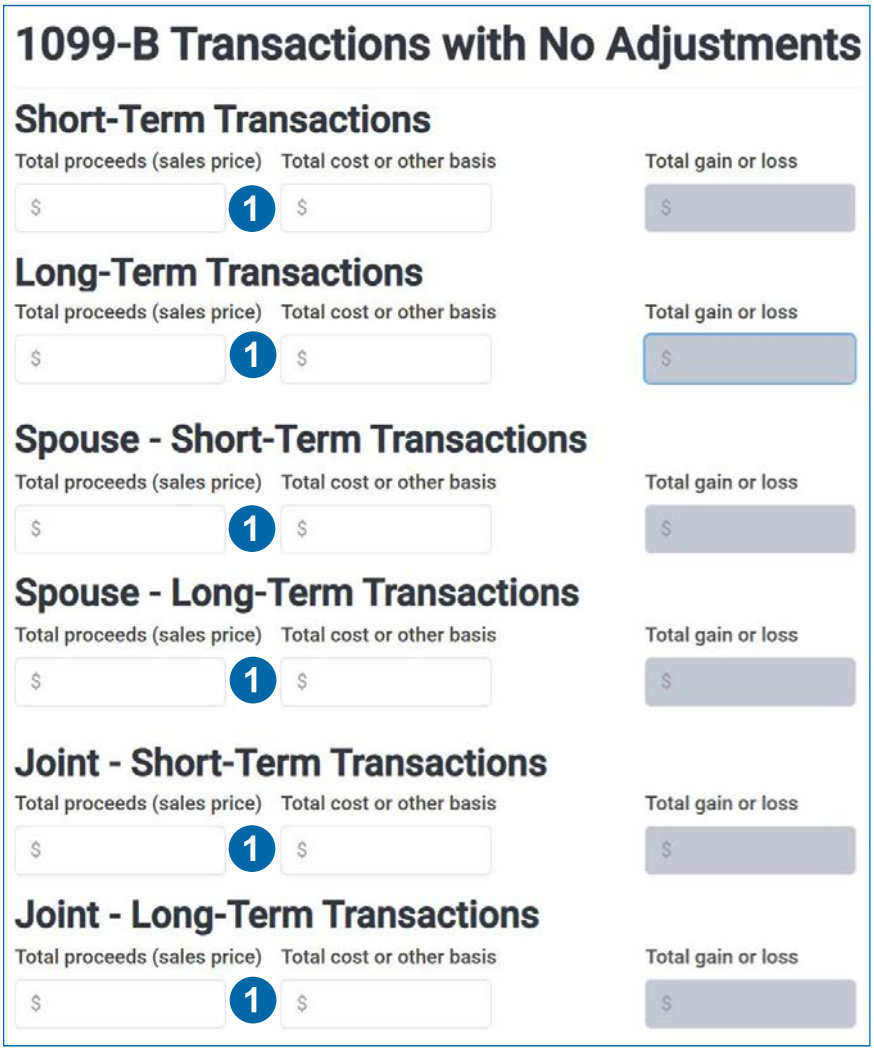
A simplified method to report a summary of capital transactions is available ONLY if the cost basis is reported to the IRS and there are no adjustments to cost basis, capital gain or loss. Otherwise, see next page.

1. Calculate and enter **Total proceeds (sale price)** and **Total cost or other basis** separately for short- and long-term transactions. For a joint return, further separate these entries by taxpayer, spouse, and joint.

   TaxSlayer will calculate the **Total gain or loss** for each of these groupings. Entries made on this screen will be reported directly on Lines 1a and 8a of Schedule D without the use of Form 8949.

Generally, the Consolidated Broker Statement will contain the subtotals of Form 1099-B short- and long-term transactions. These subtotals often state the applicable Form 8949 type/ checkbox value:

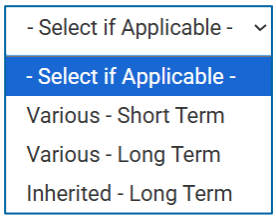
- Values of A or D indicate basis was reported to the IRS.
- Values of B, E, or X can't be entered via the above screen as basis was not reported.
- Values of G, H, I, J, K, L are Out of Scope.



(A) Entering Capital Gains and Losses

Select *Stocks, Mutual Funds, Cryptocurrency, Collectibles, etc.* from the *Schedule D Capital Gains* screen if cost basis was not reported to the IRS, there is an adjustment, or Form 1099-B was not received. Otherwise, use the simplified summary method shown on the prior page. See page D-46 for sale of a personal residence.

1. On a joint return, indicate if this is a taxpayer, spouse, or joint transaction.
2. If applicable, check the Alternate Option box for Date Acquired and select one of the three options from the dropdown box:



The *Various – Short Term* or *Various – Long Term* options can be used to summarize reporting of the sale of a block of stock (or similar property) acquired in several different purchases on a single row. Use Adjustment Code M and see page D-43.

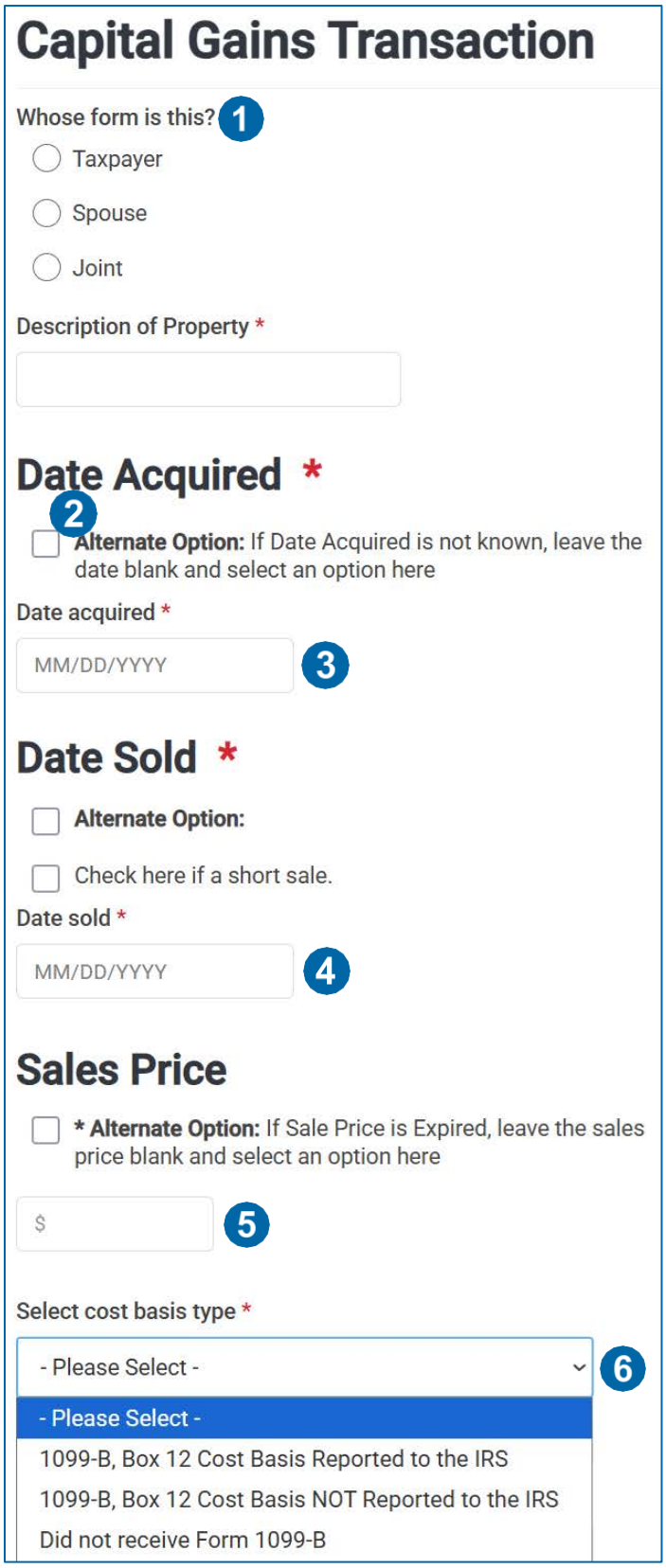
If investment property is inherited, use the *Inherited – Long Term* option. The capital gain or loss is treated as long-term, regardless of how long the property is held.

Inherited and gifted property are only in scope when the taxpayer provides the basis (and holding period for gifted property). For inherited property, the extent and method to which it is stepped to FMV may depend on how the property was owned and state law; different rules apply to decedents who died in 2010. See TaxAide's **NTTC 4491**, *Income - Capital Gain or Loss* lesson, *Basis Other than Cost*.

3. Enter date acquired from Form 1099-B Box 1b (N/A if Alternate Option was selected for #2).
4. Enter date sold from Form 1099-B Box 1c.

Do not select Alternate Option for Date Sold when summarizing multiple transactions in a single row. Instead, enter the date of the latest sale from the summarized transactions. See first note above.

5. Enter the proceeds from Form 1099-B Box 1d.
6. Choose the applicable cost basis type.



Entering Capital Gains and Losses (cont'd)

7. Enter the amount from Form 1099-B Box 1e or provided by taxpayer. If the statement or taxpayer does not provide cost basis, historical data can be used to assist the taxpayer in determining basis. If **Yahoo Finance** or another source was used to estimate cost basis, give information to taxpayer to retain showing how basis was determined; e.g. historical price data, calculations, etc. If basis can't be determined, use zero (Out of Scope if taxpayer does not agree). For inherited or gifted property see the caution on the prior page.

8. For most transactions, no adjustment to gain or loss is needed. If one or more adjustments to basis or net capital gain are required, enter the net adjustment amount and mark the reason(s) from the list. You may need to enter an adjustment if the basis provided is incorrect, another situation applies that requires a change to the basis, or if the taxpayer is able to exclude some or all of the capital gain. See pages D-44 and D-45.

9. If summarizing transactions, check the box for Reporting Multiple Transactions on a Single Row. See first note on prior page.

10. Wash sales are in scope only if reported on Form 1099-B or on a brokerage or mutual fund statement. Enter the code W amount as a positive number.

For securities reported on a brokerage statement as "Worthless" use the Alternate Option and "Worthless" for the date sold. If securities have any value (even $1), they are not worthless.

Cost

☐ * **Alternate Option:** If Cost is Expired, leave the cost blank and select an option here

$ 7

Adjustments

Enter any necessary adjustments to Gain or Loss
NOTE: If this entry is to be shown as a loss, please enter a negative sign before the number.

$ 8

If you entered an adjustment amount above, please select all adjustment explanations that apply.

☐ B - Form 1099-B with Basis shown in Box 1 e is Incorrect	
☐ C - Disposed of Collectibles	OOS
☐ D - Form 1099-B showing accrued market discount in box 1 f	OOS
☐ E - Form 1099-B or 1099-S with Selling Expenses or Options not Reflected on Form	
☐ H - Exclude Some/ All of the Gain from the Sale of Your Main Home	
☐ L - Nondeductible Loss other than a Wash Sale	
☐ M - Reporting Multiple Transactions on a Single Row 9	
☐ N - Received 1099-B/1099-S as a Nominee for the Actual Owner of the Property	OOS
☐ O - Other Adjustment Not Explained Above	
☐ Q - Exclude Part of the Gain from the Sale of Qualified Small Business Stock	OOS
☐ R - Rollover of Gain from QSB Stock, Empowerment Zone, Publicly Traded Securities	OOS
☐ S - Loss from the Sale of Small Business Stock more than Allowable Ordinary Loss	OOS
☐ T - Form 1099-B & Type of Gain/Loss shown in Box 2 is Incorrect	
☐ W - Nondeductible Loss from a Wash Sale 10	
☐ X - Exclude Gain from DC Zone Assets or Qualified Community Assets	OOS
☐ Y - Reporting Gain from QOF Investment in Prior Tax Year	OOS
☐ Z - Postpone Gain for Investments in QOFs	OOS

The sale of bonds is only in scope for bonds that mature or are sold with no gain or loss, or are reported on a brokerage statement with capital gain or loss only (no ordinary income/loss).

Exception to Entering Each Transaction on a Separate Row

When a taxpayer's Form 1099-B includes so many transactions that it isn't practical to enter each one into TaxSlayer, use the following procedure (see page D-40 for a simpler reporting option that may apply).

11. Divide the transactions into four categories. Subtotaled amounts may be provided on the broker's Consolidated 1099 Statement's summary page.
    a. Short term transactions w/ with basis reported to the IRS – categorized as Form 8949 type/checkbox A.
    b. Short term transactions w/ basis not reported to the IRS – categorized as Form 8949 type/checkbox B.
    c. Long term transactions w/ basis reported to the IRS – categorized as Form 8949 type/checkbox D.
    d. Long term transactions w/ basis not reported to the IRS – categorized as Form 8949 type/checkbox E.
    e. Transactions w/ basis not reported to the IRS, and the holding period is unknown - categorized as Form 8949 checkbox/type X. Out of Scope unless the taxpayer determines the holding period.
    f. Form 8949 types/checkboxes G, H, I, J, K, L are Out of Scope (digital asset transactions).
12. Enter the total Sales Price, Cost and Adjustments of each category on the capital gain entry screen. See page D-41, including the first note.
13. If any of the transactions requires an adjustment to the reported basis, select the reason from the check box that includes that transaction. See prior page.

TaxSlayer may generate Form 8453, U.S. Individual Income Tax Transmittal for an IRS e-file Return.

Tax-Aide Best Practice: Do not attach Form 8453 or brokerage transaction details for inclusion in the e-file. See page K-14 for more details. Inform the taxpayer that the IRS may ask them to send copies of the brokerage statements for transactions with no basis reported to the IRS.

Look for all of the following common items found on a broker's Consolidated 1099 Statement (you may or may not find them all):

- 1099-B (Summary and Detail) and "Cost basis" or "Transaction detail" for sale of stock. Input as capital gains or losses. See pages D-40 and D-41.
- 1099-INT (Summary, not detail). See page D-18.
- 1099-OID (Summary, not detail). See page D-18.
- 1099-DIV (Summary, not detail). See page D-22.
  - If there are dividends from mutual funds, look for an insert or chart that says what percentage came from federal government interest: Enter on the dividend input screen and select their state (check their state rules).
  - The chart should also show what percentage came from municipal bonds from each state: Input exempt interest from states other than theirs by selecting tax-exempt interest income and making the state adjustment (check their state rules).
  - Foreign taxes paid: Enter foreign taxes paid on the dividend input screen only if all foreign taxes relate to passive income and the total on all tax statements (1099, etc.) is $300 or less ($600 MFJ) ; otherwise, in scope only if certified in International. See page G-8.

Net capital losses greater than $3,000 ($1,500 if MFS) carry over to future tax years. Smaller capital losses also carry over if taxable income is $0 due to deductions exceeding AGI as the full loss couldn't be absorbed. See the capital loss carryover worksheet for the short-term and long-term loss carryover amounts. Print the capital loss carryover worksheet for the taxpayer to keep as part of their records and use when preparing their return next year.

(A) Adjustments to Basis in TaxSlayer

Enter Capital Gain/Loss Transactions in TaxSlayer

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

IF THE…	THEN…	Check the box with this description	Adjustment Code that will appear on Form 8949
Taxpayer received a Form 1099-B (or substitute statement) and the basis shown in box 1e is incorrect or not reported to the IRS…	• If the basis was not reported to the IRS (box B or E checked): enter the correct basis and no adjustment amount. • If the basis was reported to the IRS (box A or D checked): enter the basis shown on Form 1099-B (or substitute statement) and correct the error by entering an adjustment. Use *Worksheet for Basis Adjustment in Column (g)* in Instructions for Form 8949, Sale and Other Dispositions of Capital Assets.	Form 1099-B with Basis shown in Box 1e is Incorrect	B
Taxpayer received a Form 1099-B or 1099-S (or substitute statement) and there are selling expenses that are not reflected on the form or schedule…	Enter the proceeds as reported in Box 1d. Enter any selling expenses paid, but not reflected on the form or statement, as a negative adjustment.	Form 1099-B or Form 1099-S with selling expenses or options not reflected on the form.	E
Taxpayer sold or exchanged their main home at a gain, must report the sale or exchange and can exclude some or all of the gain…	Report the sale or exchange as if the taxpayer were not taking the exclusion. Then enter the amount of excluded (nontaxable) gain as a negative number.	Exclude Some/All of the Gain from the Sale of Your Main Home	H
Taxpayer has a nondeductible loss other than a loss indicated by code W…	Report the sale or exchange and enter the amount of the nondeductible loss as an adjustment. See Nondeductible Losses in the Instructions for Schedule D.	Nondeductible loss other than a Wash Sale* See Glossary for the definition of wash sale.	L
Taxpayer reports multiple transactions on a single row as described in Exception to Reporting each Transaction on a Separate Row…	Enter -0- as the adjustment amount unless an adjustment is required because of another code.	Reporting Multiple Transactions on a Single Row	M
Taxpayer has an adjustment not explained earlier in this column…	Report the appropriate adjustment amount.	Other Adjustment Not Explained Above	O
Taxpayer received a Form 1099-B (or substitute statement) and the type of gain or loss (short term or long term) shown in box 2 is incorrect)…	Enter transaction with correct term (long or short). Enter -0- as the adjustment amount unless an adjustment is required because of another code.	Form 1099-B and Type of Gain/Loss indicated in Box 2 is incorrect	T
Taxpayer has a nondeductible loss from a wash sale*…	Report the sale or exchange and enter as a positive amount the nondeductible loss as an adjustment.	Nondeductible loss from a Wash Sale* (See Glossary for definition of wash sale)	W

*Wash sales are in scope only if reported on Form 1099-B or on a brokerage or mutual fund statement.

Adjustments to Basis in TaxSlayer (cont'd)

Out of Scope Transactions

IF the…	Adjustment Code
Taxpayer disposed of collectibles (see the Schedule D instructions).	C
Taxpayer received a Form 1099-B showing accrued market discount in box 1f	D
Taxpayer received a Form 1099-B or 1099-S (or substitute statement) as a nominee for the actual owner of the property.	N
The taxpayer is a nonresident alien individual who sold or exchanged an interest in a partnership engaged in a U.S. trade or business	P
Taxpayer sold or exchanged qualified small business stock and can exclude part of the gain.	Q
Taxpayer is electing to postpone all or part of their gain under the rules explained in the Schedule D instruc–tions for any rollover of gain (for example, rollover of gain from QSB stock or publicly traded securities).	R
Taxpayer had a loss from the sale, exchange, or worthlessness of small business (section 1244) stock and the total loss is more than the maximum amount that can be treated as an ordinary loss.	S
Taxpayer can exclude all or part of their gain under the rules explained in the Schedule D instructions for DC Zone assets or qualified community assets.	X
Taxpayer is reporting their gain from a QOF investment that was deferred in a prior tax year	Y
Taxpayer is electing to postpone all or part of their gain under the rules explained in the Schedule D instruc–tions for investments in qualified opportunity funds (QOFs)	Z

(A) Capital Gains or Losses – Sale of Main Home

Income>Schedule D/Form 8949>Sale of Main Home Worksheet; or Keyword -S

See page GL-5 for the definition of main home. An individual has only one main home at a time. Taxpayers with more than one home cannot choose which home to designate as their main home.

See page D-51 for the sale of a personal residence that was not the main home at any point during the 5-year period ending on the date of sale; e.g., a vacation home, a second home, etc.

The sale of a main home must be reported on Form 8949 if the taxpayer received Form 1099-S for the sale, has a gain and can't fully exclude all it from income, or chooses not to exclude their gain. The taxpayer does not have to report the sale of their main home if none of these apply.

Any gain that can't be excluded is taxable. Any loss is not deductible. Generally, if the following two tests are met, the taxpayer can exclude up to $250,000 of gain. If both the taxpayer and their spouse meet these tests and file a joint return, they can exclude up to $500,000 of gain (but only one spouse needs to meet the ownership requirement in Test 1).

Test 1: Out of the 5-years leading up to the date of sale, the taxpayer owned the home for at least 2 years (**ownership requirement**) and lived in it as their main home for at least 2 years (**use/residence requirement**).

Members of the armed forces or Foreign Service, employees of the intelligence community, and employees or volunteers of the Peace Corps may be able to suspend the 5-year period while serving on qualified official extended duty. See *Service, Intelligence, and Peace Corps personnel* in **Pub 523**.

Sale of main home by surviving spouse: If a surviving spouse has not remarried at the time of the sale and does not meet the 2-year ownership and residence requirements on their own, they may include any time when their late spouse owned and lived in the home, even without the taxpayer, to meet the ownership and residence requirements. In addition, a surviving spouse may increase their exclusion amount from $250,000 to $500,000 if they meet all conditions described in #8 on page D-48.

Test 2: The taxpayer hasn't excluded gain on the sale or exchange of another main home during the 2-year period ending on the date of the sale of their home (**look-back requirement**).

If the taxpayer is required to report the sale of their main home, go to the navigation at the top of this page and complete the Sale of Main Home Worksheet as described on the next page. If the sale results in a loss, follow the instructions on page D-50.

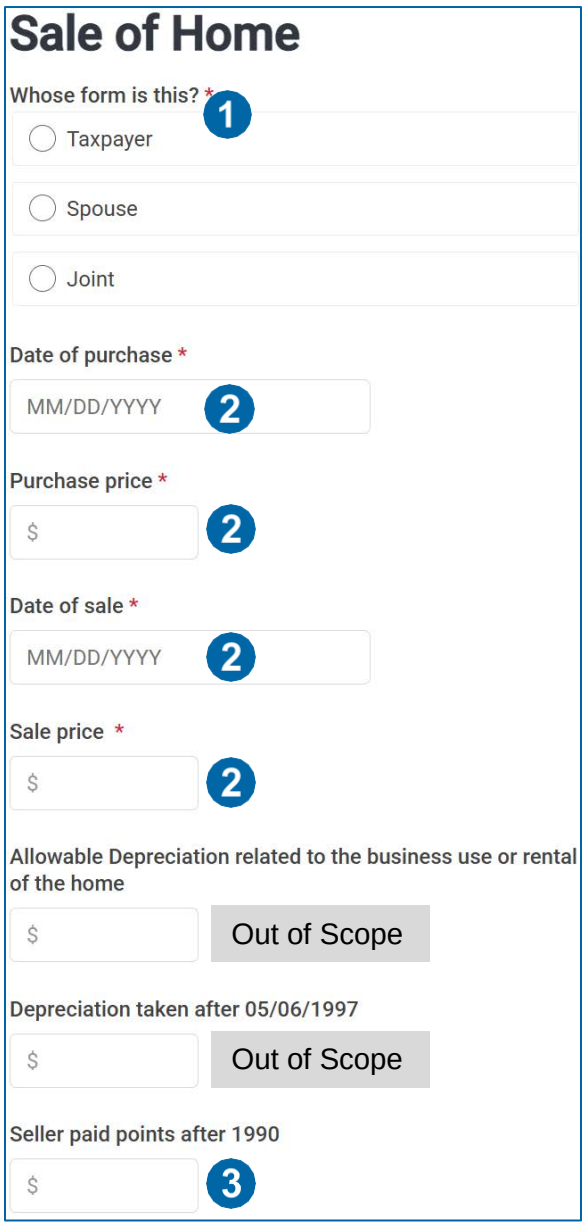
The **Home Sale Worksheet** in the **Colorado Resource Toolbox** can be helpful.

The sale of a main home is Out of Scope if it ever had business or rental use, or a reduced exclusion applies. Reduced exclusions occur when either of the following apply:

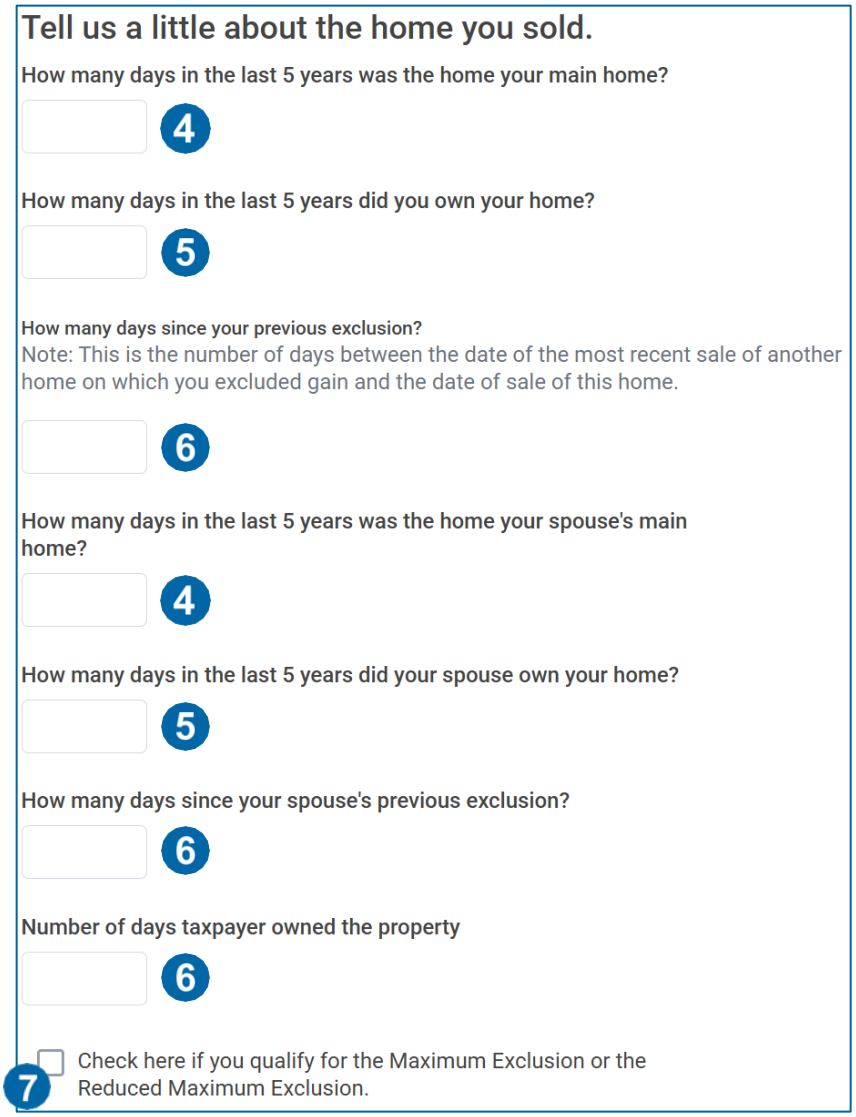
- A **Partial Exclusion of Gain** applies when the ownership, residence, or look-back requirement was only partially met, but the main reason for selling the home was a change in workplace location, a health issue, or an unforeseeable event. See *Does Your Home Qualify for a Partial Exclusion of Gain?* in **Publication 523**.
- During the time they owned the home, there were periods of **Nonqualified Use** after 2008 when neither the taxpayer nor their spouse (or former spouse) used the entire home as their main home, but some exclusion of gain applies. Do not consider the period after they last used the home as their main home. Exceptions may apply, see *Nonqualified use of entire property after 2008* in **Publication 523**.

The sale of a residence received through inheritance or as a gift is Out of Scope unless it was used as a personal residence by the taxpayer or spouse and they provide the cost basis of the residence (and the holding period for gifted property). The extent and method to which inherited property is stepped to FMV may depend on how the property was owned and state law, and different rules apply to decedents who died in 2010. See Tax-Aide's **NTTC 4491**, *Income - Capital Gain or Loss* lesson, *Basis Other than Cost*.

Capital Gains or Losses – Sale of Main Home (cont'd)



For reference, see **Publication 523**, Selling Your Home.



1. For a joint return, indicate who owns the home.
2. Enter the purchase date, purchase price, sale date, and sale price. Enter capital improvements and other adjustments on the next screen.
3. Enter any mortgage points paid by the seller if the taxpayer bought their home from them after April 3, 1994. For homes bought between January 1, 1991, and April 3, 1994, enter seller paid points only if the taxpayer deducted them as home mortgage interest in the year paid.
4. Enter number of days the dwelling was used as the main home (separate entry for spouse). The use/residence requirement is not met if this is less than 730 days.
5. Enter the number of days the taxpayer owned the home (separate entry for spouse). The ownership requirement is not met if this is less than 730 days, but only one spouse needs to meet the ownership requirement for a married couple filing jointly.
6. These entries can be left blank for an in-scope return. They are only needed if the taxpayer qualifies for either of the Out of Scope reduced exclusions described in the first caution at the bottom of the prior page.

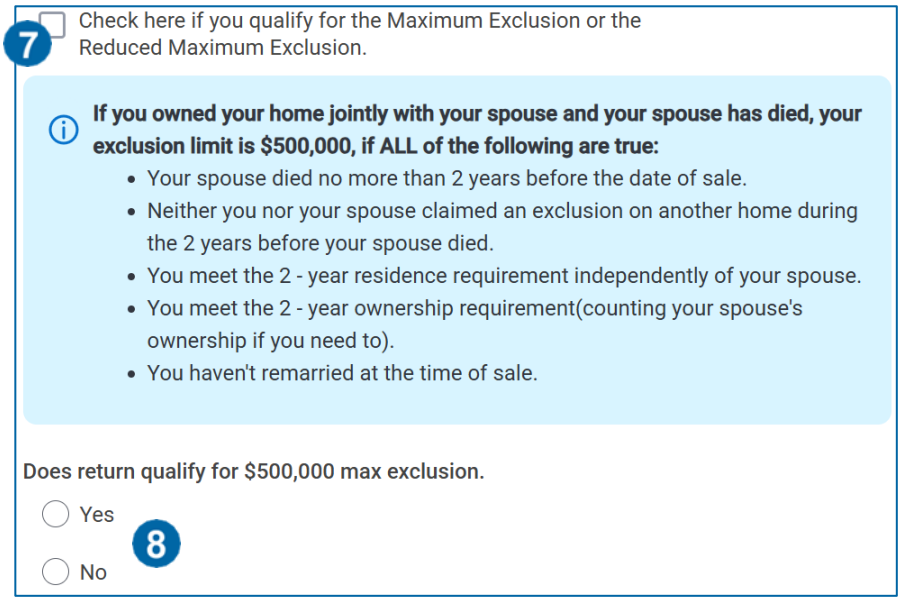
Capital Gains or Losses – Sale of Main Home (cont'd)

7. Check this box if eligible for the maximum exclusion because the ownership, use/residence, and look-back requirements are met, taking the exceptions into account. Reduced maximum exclusion is Out of Scope, see the first caution at the bottom of page D-46.

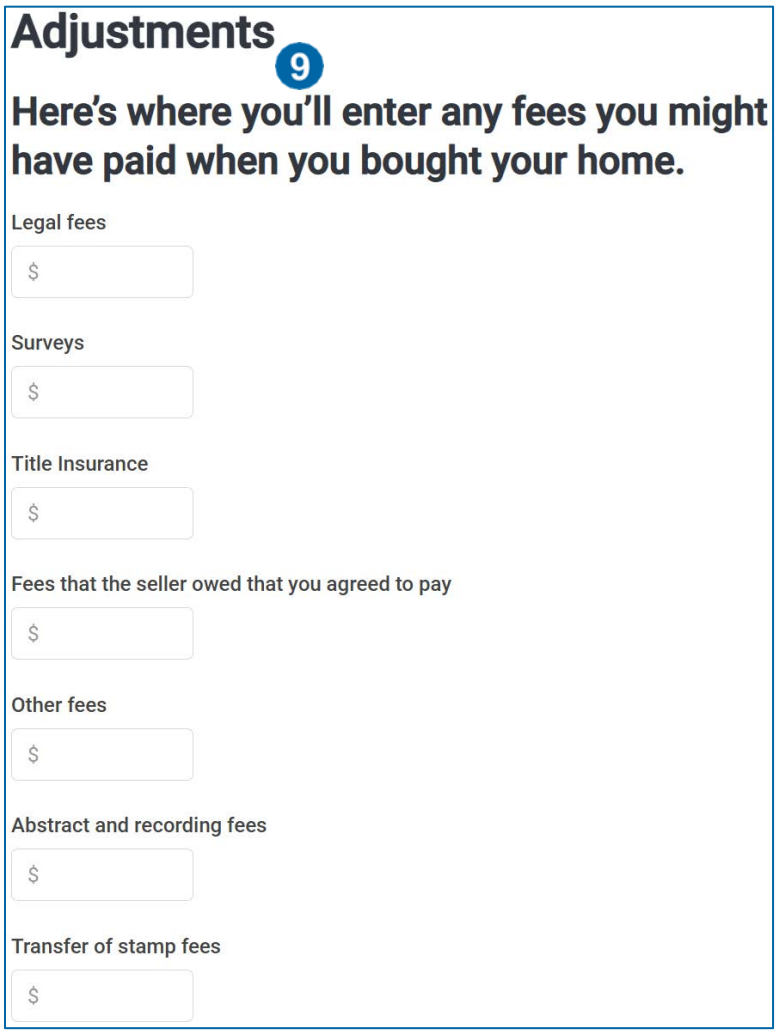
8. Question #8 and the blue dialog above it only appear if you checked box #7 to indicate that the taxpayer qualifies for the maximum exclusion and the filing status is not married filing jointly.

   Only select **Yes** for a surviving spouse that qualifies to increase their exclusion amount from $250,000 to $500,000 because they meet all of the following conditions:

   a. You sell your home within 2 years of the death of your spouse;
   b. You haven't remarried at the time of the sale;
   c. Neither you nor your late spouse took the exclusion on another home sold less than 2 years before the date of the current home sale; and
   d. You meet the 2-year ownership and use/residence requirements (including your late spouse's times of ownership and residence, if applicable).



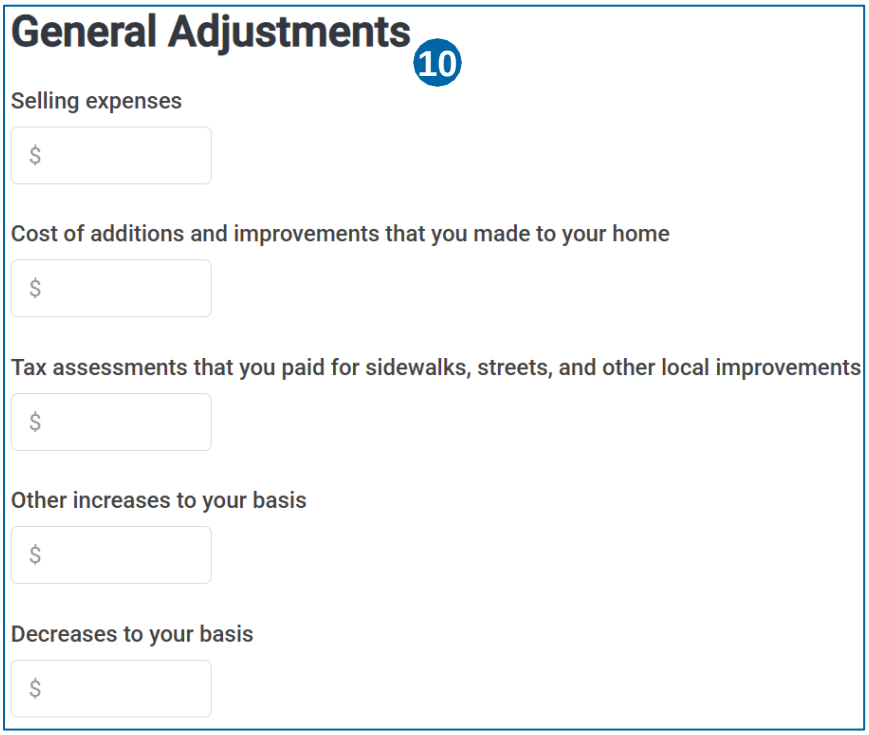
9. Enter any allowable fees from the purchase of the home that were not included in the purchase price already entered. TaxSlayer will use these amounts to increase the adjusted cost basis reported on Form 8949. For more details on basis, including a list of fees and other expenses that can be entered here and on the next screen, see **Publication 523**, Selling Your Home.



The closing disclosure or HUD-1 Settlement Statement provides detailed information about the closing costs. These documents from the original home purchase and from the current sale can help in completing the screens shown on the right and the next page, respectively.

Capital Gains or Losses – Sale of Main Home (cont'd)

10. Enter the selling expenses, cost of improvements, and other increases or decreases to the home's basis. Additions or improvements to a home having a useful life of more than one year increase the basis. Repairs that maintain the home in good condition are not considered improvements and do not increase the basis. TaxSlayer will factor these entries into the adjusted cost basis reported on Form 8949.



Decreases to basis are Out of Scope, including deductible casualty losses and gains a taxpayer postponed from the sale of a previous home before May 7, 1997, unless taxpayer provides the basis and holding period.

The sale will be listed on the applicable Form 8949 (basis type C or F). It will also be included with other capital gains and losses on Schedule D.

11. If you checked the box for "... you qualify for the Maximum Exclusion ..." (#7 on the prior page), Form 8949 will show the exclusion as a negative adjustment amount with adjustment code H. The net gain/loss will be reduced accordingly (to zero/blank if the entire gain was excluded).

Example: The taxpayer received a Form 1099-S for the sale of their main home. The taxpayer's adjusted basis in the home is $150,000. The sales price was $200,000. The taxpayer meets the ownership, use/residence and look-back requirements. The taxpayer's Form 8949 is shown below.

1 (a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold or disposed of (Mo., day, yr.)	(d) Proceeds (sales price) (see instructions)	(e) Cost or other basis See the **Note** below and see *Column (e)* in the separate instructions.	Adjustment, if any, to gain or loss If you enter an amount in column (g), enter a code in column (f). See the separate instructions. (f) Code(s) from instructions	(g) Amount of adjustment	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g).
MAIN HOME	03/04/2019	02/02/20XX	200000	150000	H 11	-50000	

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

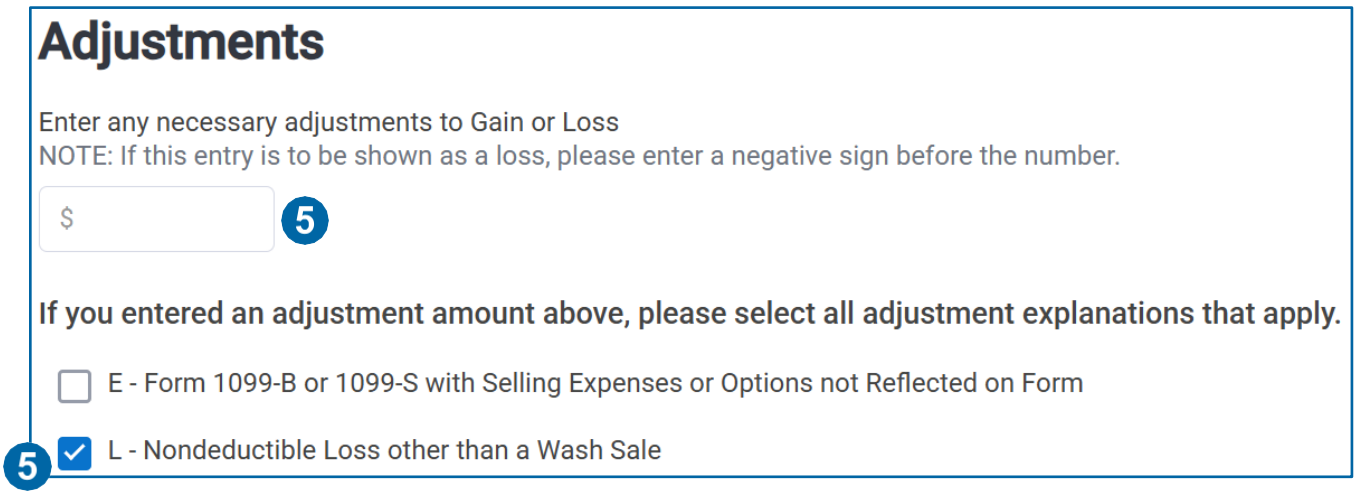
If the sale resulted in a loss, see the next page.

Reporting the Sale of a Main Home at a Loss

Income>Schedule D/Form 8949>Stocks, Mutual Funds, Cryptocurrency, Collectibles, etc.; or Keyword -S

A loss on the sale of a main home can't be deducted, but must be reported if Form 1099-S was received. To report the sale:

1. In addition to laying out the TaxSlayer entries described below, the **Home Sale Worksheet** in the **Colorado Resource Toolbox** can help determine the adjusted basis, selling expenses, etc. While TaxSlayer's Sale of Main Home worksheet can also assist with determining the adjusted basis, it will not carry to Form 8949 if there is a loss — the transaction must be directly entered as described below.
2. Add a new Capital Gain or Loss Item (see navigation note at top of page).
3. Enter the description of property, dates, sales price and adjusted basis amount.
4. Select the basis type as "Did not receive Form 1099-B."
5. Eliminate the nondeductible loss by entering an adjustment in the amount of the loss as a positive number and check the box for adjustment L – Nondeductible Loss other than a Wash Sale. Select other adjustments, if applicable.



6. Confirm the loss was correctly eliminated by viewing Form 8949 in the PDF of the return to ensure that column (h) is blank ($0), indicating no loss or gain.

Example: The taxpayer received a Form 1099-S for the sale of their main home. The taxpayer's adjusted basis in the home is $203,800. The sales price was $190,000. The taxpayer's Form 8949 is shown below.

1

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold or disposed of (Mo., day, yr.)	(d) Proceeds (sales price) (see instructions)	(e) Cost or other basis See the **Note** below and see *Column (e)* in the separate instructions.	Adjustment, if any, to gain or loss If you enter an amount in column (g), enter a code in column (f). See the separate instructions.		(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g).
					(f) Code(s) from instructions	(g) Amount of adjustment	
125 LAKE RD YC FL	02/03/2018	09/04/20XX	190000	203800	L	13800	6

(A) Sale of Personal Residence that is NOT the Main Home

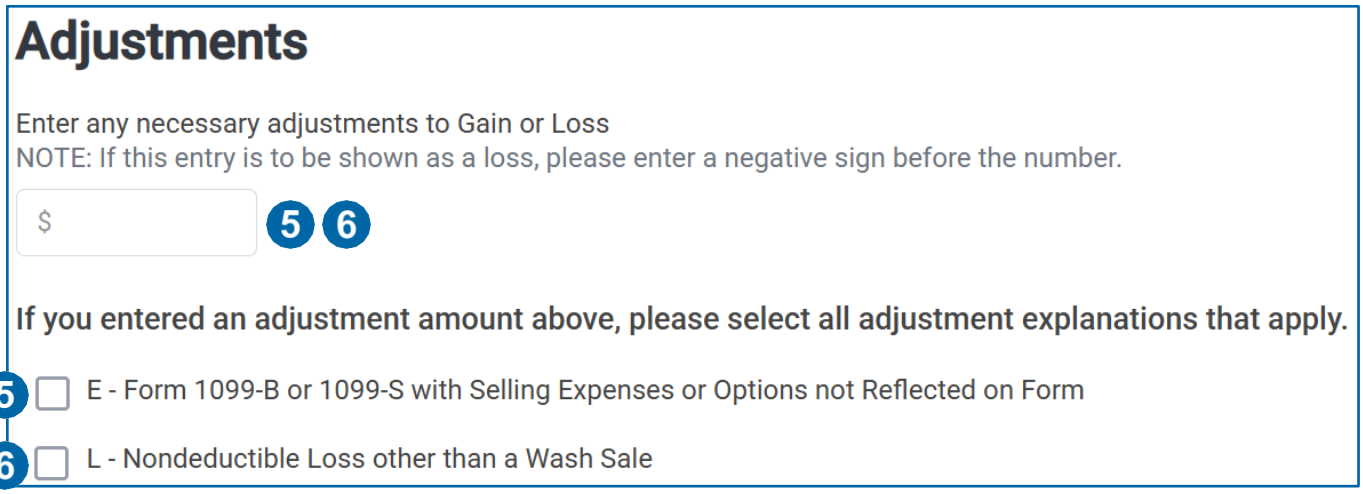
Income>Schedule D/Form 8949>Stocks, Mutual Funds, Cryptocurrency, Collectibles, etc.; or Keyword -S

The sale of real estate is Out of Scope if it was not used as a personal residence, or if it ever had business or rental use. The sale of a residence received through inheritance or as a gift is Out of Scope unless it was used as a personal residence by the taxpayer or spouse and they provide the cost basis of the residence (and the holding period for gifted property). The extent and method to which inherited property is stepped to FMV may depend on how the property was owned and state law, and different rules apply to decedents who died in 2010. See Tax-Aide's **NTTC 4491**, *Income - Capital Gain or Loss* lesson, *Basis Other than Cost*.

For sale of the main home, see page D-46. See page GL-5 for the definition of Main Home.

For sale of a personal residence that is not the main home (e.g. a vacation or 2nd home), any gain is taxable and any loss is not deductible. Follow these steps to enter the sale directly as a capital gain/loss item:

1. In addition to laying out the TaxSlayer entries described below, the **Home Sale Worksheet** in the **Colorado Resource Toolbox** can help determine the adjusted basis, selling expenses, etc. See **Publication 523**, Selling Your Home, *Basis Adjustments—Details and Exceptions*.
2. Add a new Capital Gain or Loss Item (see navigation note at top of page)
3. Enter the description of property, dates, sales price and adjusted basis amount
4. Select the basis type as “Did not receive Form 1099-B”
5. To record selling expenses not reflected on Form 1099-S enter an adjustment for the expense as a negative number and check the box for adjustment E – Form 1099-B or 1099-S with Selling Expenses or Options not reflected on the Form. This does not change the cost basis.

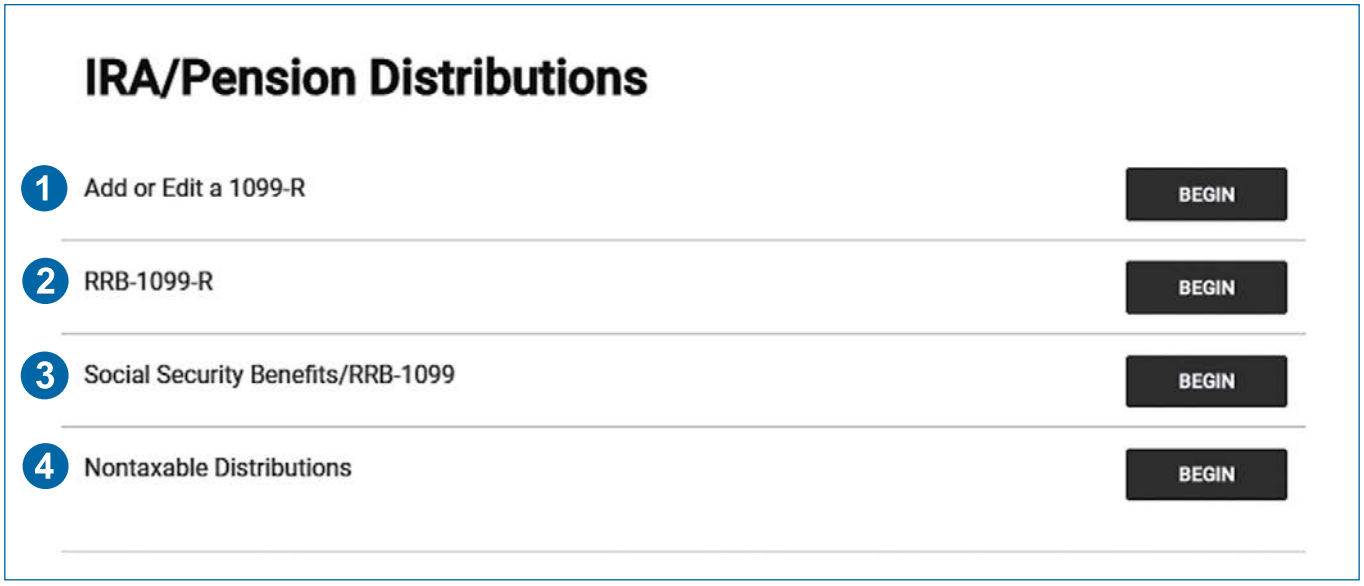


6. If there is a loss, eliminate it by entering an adjustment in the amount of the loss as a positive number and check the box for adjustment L – Nondeductible Loss other than a Wash Sale. If adjustments E and L both apply then combine the amounts and check both boxes. Confirm the loss was correctly eliminated by viewing Form 8949 in the PDF of the return to ensure that column (h) is blank ($0), indicating no loss or gain (see the example at the bottom of the prior page).

IRA/Pension and Social Security Distributions

Income>1099-R, RRB, SSA

There are four items to choose from, and within each item you can make entries for as many documents as needed.



1. See next page.
2. See page D-67.
3. See page D-68. If Social Security Benefits/RRB-1099 is the only income, then see the tip on page A-6 for instructions on filing a $0 AGI return.
4. See page D-65.

German or Canadian social security is in scope for Tax-Aide, see page D-70. Income from all other foreign retirement arrangements is Out of Scope (may need special reporting on FinCEN FBAR 114 or Form 8938).

(B/A) Form 1099-R Distributions

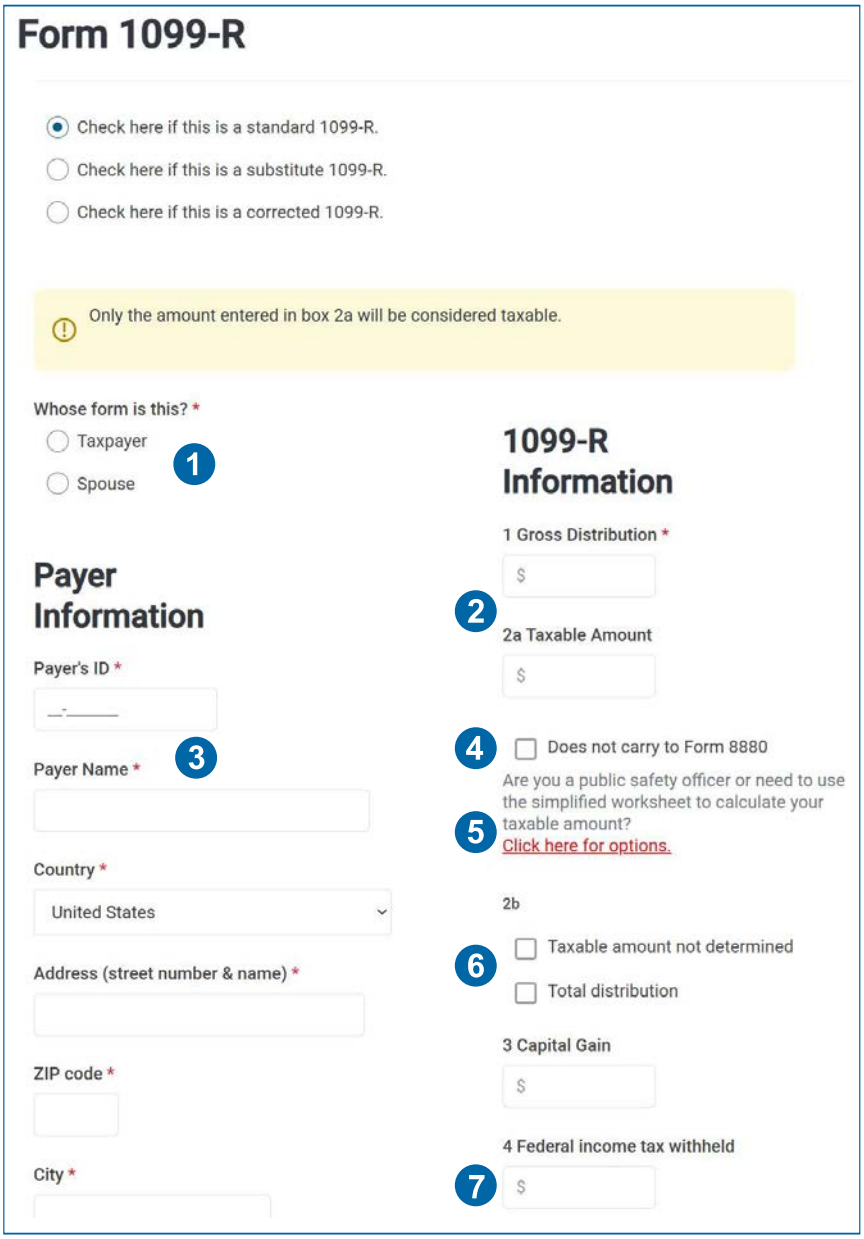
Income>Form 1099-R, RRB, SSA>Add or Edit a 1099-R; or Keyword: -R

See Box 7 Distribution Codes on page D-63 for scope limitations. Basic Certification if taxable amount is shown. Advanced Certification required if taxable amount is not shown in Box 2a and Box 2b is checked.

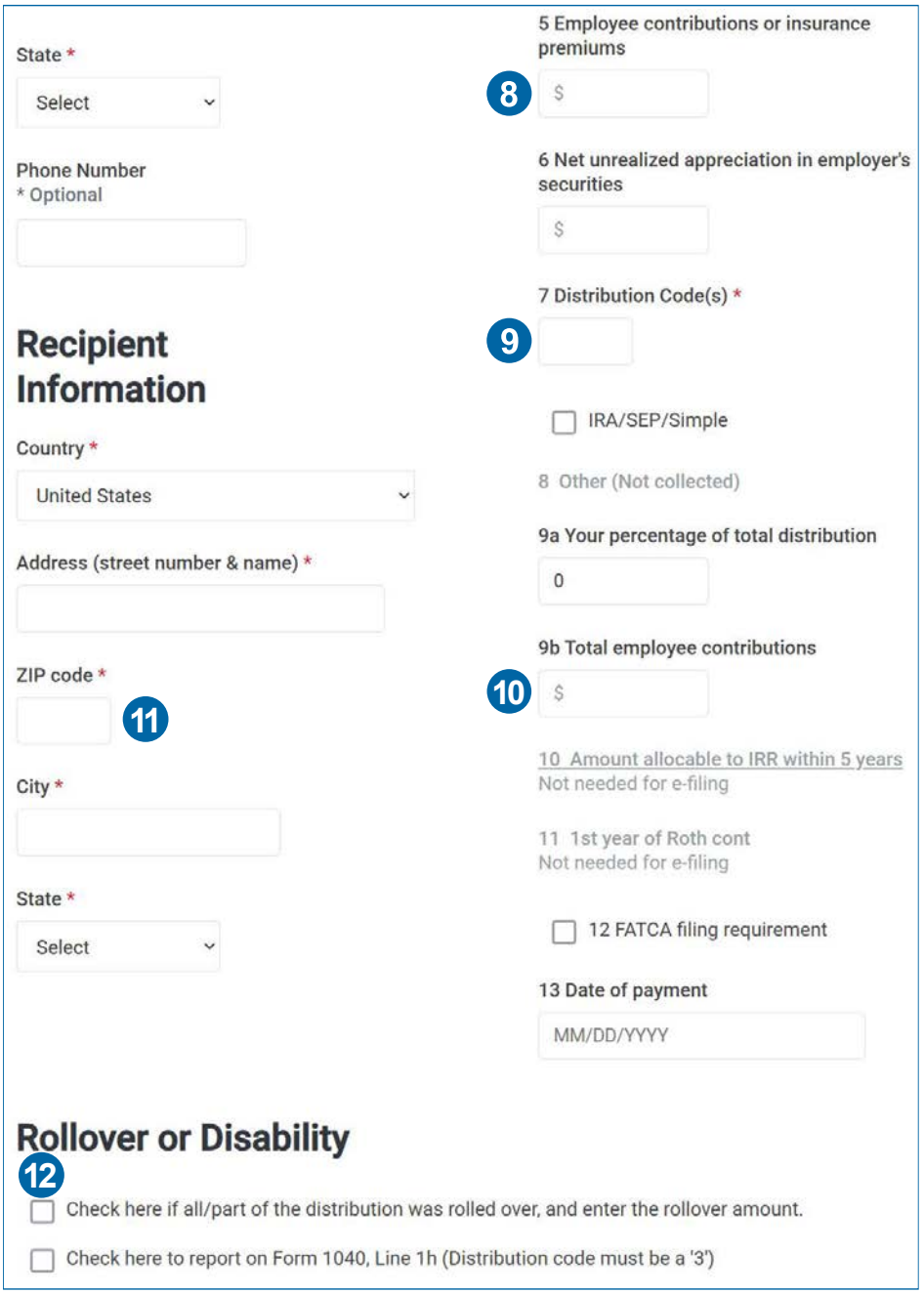
If the taxpayer or spouse made voluntary contributions to an IRA or other qualified retirement plan, then retirement distributions may affect their eligibility for the Saver's Credit. See the section starting on page G-17 for information on additional entries that may be required related to the Form 1099-R distributions.

Box 2a will automatically fill in with the amount in Box 1. If a different amount is shown on the document, enter that amount instead. You may need to use the Simplified Method to calculate the taxable amount of the distribution if Box 2a is zero or blank and an amount is shown in Box 9b. See #5 below.

1. If a joint return, choose who the document belongs to.
2. TaxSlayer will automatically copy the amount entered in Box 1, Gross Distribution into Box 2a, Taxable Amount. Manual adjustments are required to Box 2a to make sure it reflects changes due to rollovers, qualified Roth distributions, return of excess contributions, taxable amount from Form 8606, etc. Do not manually adjust if entering the Simplified Method Worksheet, Public Safety Officer (PSO) Exclusion, or Qualified Charitable Distributions (QCDs) per #5 below, which will reduce the taxable distribution in Box 2a accordingly.
3. Payer's ID/TIN and the first four letters of their name must be entered accurately. Payer ID/Name mismatch is a common e-file reject.
4. If marked, the taxable amount will not carry to Form 8880, Credit for Qualified Retirement Savings Contributions, line 4 as a current year distribution. See the section starting on page G-17 and the caution above.
5. Select **Click here for options** to calculate a reduced Box 2a Taxable Amount for the Simplified Method, public safety officer (PSO) health insurance exclusion, or Qualified Charitable Distribution (QCD). See pages D-57 and D-59.
6. If Box 2b indicates "Taxable amount not determined" or "Total distribution", mark the appropriate box as shown on the document.
7. If Box 4 has an entry, ensure that the tax withheld is entered and is correct.



8. Box 5 on the document may be current year's amount of employee contributions or insurance premiums (recovery of cost basis or investment in the contract). If Box 5 is the same as Box 1, none of the distribution is taxable. If the payer has calculated the taxable amount of the pension in Box 2a, generally the difference between Boxes 1 and 2a will appear in Box 5. If Box 5 is the amount of health insurance premiums, (typically only on a CSA 1099-R) you must manually carry the amount to deduct as an Itemized Deduction, use it for the Self-Employed Health Insurance Deduction (if eligible, see page D-34), or use it for the PSO deduction (if eligible, see page D-57).
9. Box 7 is a required entry – Enter exactly as shown on document. If IRA/SEP/Simple is marked, check to enter exactly as shown on the document. See Distribution Codes chart on page D-63. The simplified method cannot be used for code "D" or other non-qualified plan distributions.
10. Box 9b shows the total employee contributions and may be needed if Box 2a has no entry, which usually requires the Simplified Method Worksheet (see #2 and #5 on the prior page).



11. To enter an address from a country that does not use postal codes, enter 0 (zero) for the postal code.
12. See page D-61 for additional details on rollovers or disability pensions.

Form CSA 1099-R – Civil Service Retirement Benefits

The Office of Personnel Management issues Form CSA 1099-R for annuities paid or Form CSF 1099-R for survivor annuities paid. The CSA/CSF variations of Form 1099-R use the standard box numbering of Form 1099-R and are entered on the same screen in TaxSlayer. If the taxable amount isn't calculated in Box 2 the Simplified Method must be used — Advanced Certification is required.

⚠ Any health insurance premiums in CSA 1099-R Box 5 must be manually carried. See #8 above.

Form 1099-R Entry Variations (Common Examples)

Example 1 – (B) Fully Taxable Distribution (most common): Box 2a is the same amount as box 1, box 2b is not checked, box 7 distribution code is 7, and boxes 5 and 9b are both blank/zero. The amount in box 1 is fully taxable. TaxSlayer will transfer the amount in box 1 to box 2a.

Example 2 – (B/A) Traditional IRA: The IRA/SEP/SIMPLE box and box 2b are both checked. Ask the taxpayer if any of the following apply:

- (A) A Qualified Charitable Distribution was made. See pages D-57 and D-65.
- (B) A rollover was made into another (or the same) IRA. See page D-61.
- (B) A traditional IRA to Roth IRA conversion was performed. See bottom of next page.
- (A) Nondeductible contributions had been made to a traditional IRA. See top of next page.

Example 3 – (A) Simplified Method: Box 2a is blank, box 7 distribution code is 7, and there is an amount in box 9b. The Simplified Method Worksheet may have to be completed to determine what portion of the amount from box 9b will be tax free. Click on the text below box 2a (see #5 on page D-53) and complete the "Simplified Method Worksheet" (see page D-59). Finish entering the Form 1099-R after completing this worksheet .

Example 4 – (A) Commercial Annuity with blank box 2a: Box 2a is blank, and box 7 distribution code includes D (i.e., 4D, 7D, D4, or D7). This is a nonqualified annuity — the insurer will typically show the taxable amount in box 2a, if any. The simplified method cannot be used. The amount in box 5 will probably be the nontaxable amount of the distribution. When the 1099-R does not show the taxable amount, the taxpayer must obtain the correct taxable amount from the payer. The return is Out of Scope if the taxable amount cannot be confirmed, or if AGI exceeds the threshold amount for Net Investment Income Tax ($200,000 for a single taxpayer or HoH; $250,000 MFJ or QSS; $125,000 MFS); see the **Tax-Aide Scope Manual**.

Example 5 – (A) Recovery of employee's after tax contributions: Box 2a is blank or zero, an amount is in box 5, and box 7 distribution code is 7. For Form CSA 1099-R or CSF 1099-R, see the bottom of page D-54 as the following is not applicable. Otherwise, confirm the box 5 amount is the employee's investment in the contract (to be recovered this year), not insurance premiums. If so, subtract box 5 from box 1 and enter the result in TaxSlayer in box 2a.

Example 6 – (B) Disability pension for on-the-job injury with blank box 2a: Box 2a is blank or zero, box 2b is not checked, and box 7 distribution code is 7 or 3. Generally, you must report disability pensions as income. However, enter zero taxable income in box 2a if any of the following apply:

- The taxpayer confirms this is a non-taxable, service-connected military or government disability pension. For more details, see **Publication 525**, *Military and Government Disability Pensions*.
- This is workers' compensation for an occupational sickness or injury paid under a workers' compensation act. For more details, see **Publication 525**, *Workers' Compensation*.
- Benefits received under an accident or health insurance policy where the premiums were paid by the taxpayer with after tax money. For more details, see **Publication 525**, *Sick pay*.

(A) Traditional IRA Distributions — Basis from Nondeductible Contributions

Deductions>Adjustments>Nondeductible IRAs; or Keyword: 8606

A traditional IRA has basis if nondeductible contributions were made to any traditional IRA. Complete **Form 8606**, Part I to calculate the taxable portion of the distribution (see tip below). The taxable amount from Form 8606, Line 15c must be entered manually into box 2a on the Form 1099-R screen — it does not flow automatically. Even in years with no distribution, Form 8606 should still be filed to facilitate tracking of basis.

If a Qualified Charitable Distribution (QCD) was also made, it is taken from the taxable portion of the IRA and does not affect basis. Exclude the QCD amount from the "Enter Traditional IRA distributions ..." line on TaxSlayer's Form 8606 screen. After reducing the box 2a amount to account for basis recovery as described above, enter the QCD following the instructions on the next page.

Complete the **IRA Worksheet** in the **Colorado Resource Toolbox** for TaxSlayer Input instructions. All the taxpayer's traditional IRAs must be factored into Form 8606, even those with no distributions. A separate Form 8606 is required for inherited IRAs with basis (one per decedent). TaxSlayer can only generate one Form 8606 per individual. If a second one is needed for the same person, complete the first one in TaxSlayer and print or save the PDF. Then complete the second Form 8606 and all 1099-R input. Include the first Form 8606 with the paper filed return, or attach the PDF to the e-filed return (see #5 on page D-38). The second Form 8606 will already be included.

(B) Conversion from a Traditional IRA to a Roth IRA

Deductions>Adjustments>Nondeductible IRAs; or Keyword: 8606

A conversion from a traditional to a Roth IRA is not a contribution, so it is not subject to IRA contribution limits or the Roth IRA income phaseout. While conversions are taxable, they are not subject to the 10% additional tax for early distributions when completed properly and timely. Exclude conversions from impacting the Saver's Credit as described in steps 5 – 7 on page G-19.

This section applies only to conversions from a traditional IRA to a Roth IRA. It does not apply to conversions from other qualified retirement plans (e.g., a 401(k)) to a Roth IRA or designated Roth account. For more details, refer to the **Instructions for Form 8606**, Part II. If Form 5498 is available, check box 3 to confirm whether a traditional IRA to a Roth IRA conversion was reported.

- Direct (trustee-to-trustee) conversions are most common and are reported on Form 1099-R with box 7, Code 2 or 7. Form 5329 is not required in these cases.
- For indirect rollovers, the conversion must be completed within 60 days. If the 60-day deadline was missed, see page D-61. If the Form 1099-R, box 7 has distribution code 1, use **Form 5329** to remove the 10% penalty (use exception code 99, *More than One Exception Applies)*.

If no basis exists in Traditional IRAs (e.g., no nondeductible contributions were made):

- Enter the Form 1099-R in TaxSlayer.
- Go to **Form 8606** and enter the amount converted on the "Net amount converted from ..." line.

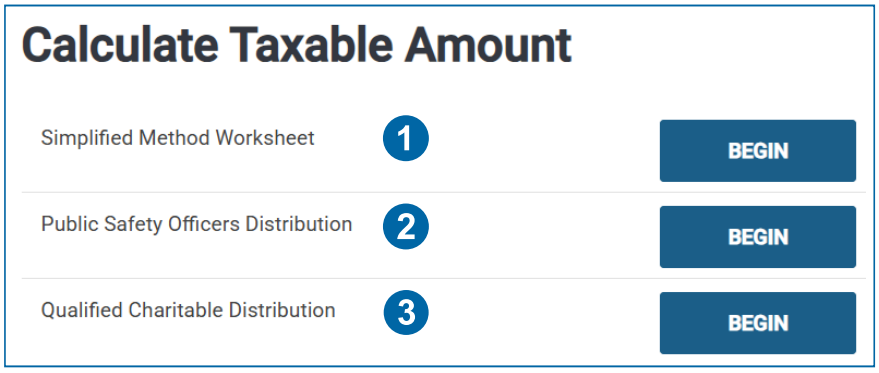
If basis exists in Traditional IRAs, Advanced Certification is required:

- Go to **Form 8606** and enter the amount converted on the "Net amount converted from ..." line.
- Make the additional Form 8606 Part I entries needed to determine the taxable portion of the conversion. See the section at the top of this page, including the tip.
- Enter the Form 1099-R in TaxSlayer, updating box 2a with the taxable portion per Form 8606.

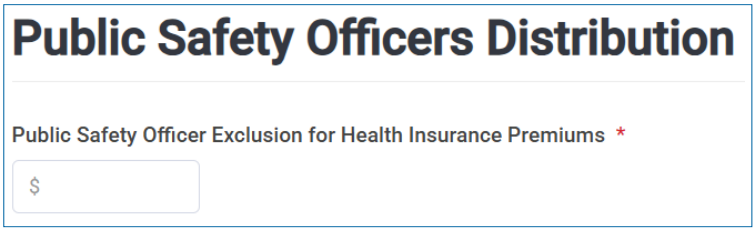
Calculate Taxable Amount: Simplified Method, PSO Exclusion, QCDs

Income>Form 1099-R, RRB, SSA>Add or Edit a 1099-R (or RRB-1099-R); or Keyword: -R

Special Circumstances
The following screen is displayed after selecting the “Click here for options” link under the taxable amount (box 2a on Form 1099-R or box 7a on Form RRB-1099-R).



1. (A) Select this to complete the Simplified Method Worksheet. This is also used if the public safety officer (PSO) health insurance exclusion and Simplified Method both apply. See page D-59.
2. (B) Only select this for the PSO exclusion if the Simplified Method calculation is not also needed. On the next screen (shown below), enter the amount of health, LTC, or accident insurance premiums (up to $3,000) to exclude from an eligible PSO retirement distribution. See next page for more information.



3. (A) Select this to exclude a Qualified Charitable Distribution (QCD) from an IRA distribution's taxable amount. Do not manually reduce box 2a for the QCD. Instead, on the next screen (shown below), enter the amount of the QCD to exclude from box 2a of the IRA distribution. See page D-65 for more information.



(B) Public Safety Officer (PSO) Exclusion for Insurance Premiums

A public safety officer (PSO) includes a police/law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew. Eligible PSOs can elect to exclude from their eligible retirement plan's distribution up to $3,000 to pay the premiums for accident, health, and long-term care (LTC) insurance:

- An eligible PSO is one who retired because of disability or because they reached the normal retirement age set by their employer.
- An eligible retirement plan is the employer plan from which the taxpayer retired as a PSO.
- The premiums must be for coverage of the taxpayer, spouse, or dependents.
- The insurance does not need to be through the retired PSO's former employer; e.g., Medicare is qualifying health insurance even if paid from the taxpayer's or spouse's Social Security benefits.
- Direct payment of premiums by the plan has not been a requirement since December 29, 2022.
- The full amount of LTC premiums can be used for the PSO Exclusion, they are not limited as they would be on Schedule A.
- Only unreimbursed, after-tax premiums qualify.
- If a PSO disability distribution is reported as wages, those taxable wages can be similarly reduced.



See prior page for how to enter the PSO Exclusion in TaxSlayer.



The amount of premiums used for the PSO Exclusion cannot be used again as an itemized deduction or for the self-employed health insurance (SEHI) Deduction (if eligible, see page D-34).



The definition of a public safety officer entitled to this exclusion is not as broad as the definition of a qualified public safety employee used for the exception to the 10% penalty for early distributions.



If both spouses are eligible retired PSOs, then each can exclude up to $3,000, but do not double count any premiums.



Following the death of the PSO, this exclusion does not extend to the surviving spouse or dependents.

(A) Calculate Taxable Amount: Simplified Method

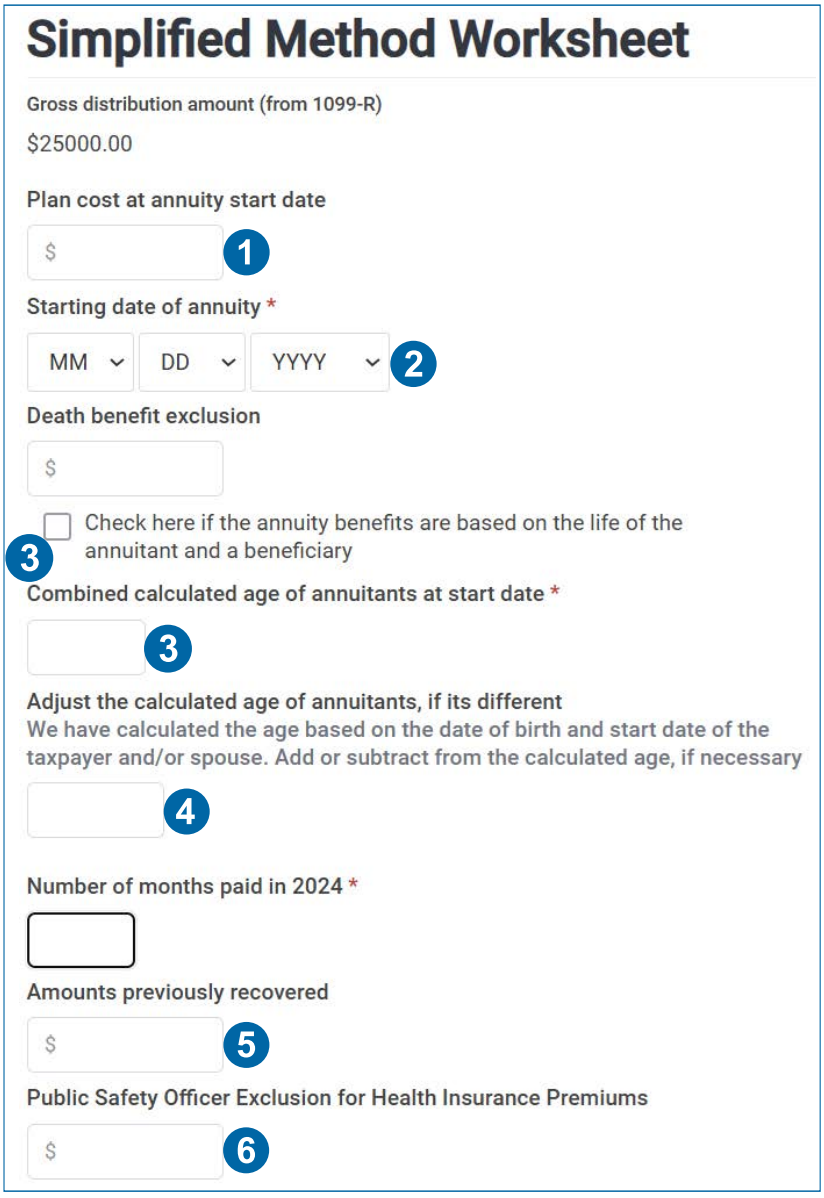
Income>Form 1099-R, RRB, SSA>Add or Edit a 1099-R>Click here for options (under Box 2a Taxable Amount); or Keyword: -R

If the taxpayer made after-tax contributions toward a pension, a portion of the annuity payment has already been taxed and isn't taxable now. Generally, if the starting date of the payments was prior to July 2, 1986, the Simplified Method wouldn't apply. If the taxpayer used the 3-year rule, the annuity is fully taxable. If they used the general rule, refer the taxpayer to a professional tax preparer.

The **Annuity/Pension Exclusion Calculator** in the **Colorado Resource Toolbox** can help when completing this screen (see caution in #5 on next page). Print the Annuity/Pension Exclusion Calculator's Exclusion Table and include it in the taxpayer envelope (or pull in last year's hard copy, if available).

The TaxSlayer screen shown below must be completed for it to generate the Simplified Method Worksheet in the return PDF and to carry forward next year. Carryforward items include the plan cost at annuity start date, starting date of annuity, and amounts previously recovered (the age of recipient at start date will be recalculated per #3 below).

1. Enter the Plan cost (see Box 9b of Form 1099-R or Box 3 of Form RRB-1099-R).
2. Enter the annuity start date. If disability benefits were paid under this plan during the tax year, enter the date beginning after the taxpayer reached minimum retirement age as the annuity start date. The plan administrator should issue two separate 1099-R statements. If not, prorate the amount to be treated as wages based on the annuity start date.
3. TaxSlayer calculates the annuitant's age at the start date of the pension (this may differ from the annuitant's age at the end of that year). For a joint and survivor annuity, check the box so that TaxSlayer will add the ages of both spouses on the start date. For the beneficiary of an employee who died, see **Publication 575**, Pensions and Annuities. For a joint and survivor annuity that starts:
   - After the death of the employee, use only the survivor's age and do not check the box for Joint and Survivor Annuity.
   - Before the death of either beneficiary, continue with the same exclusion amount after the first death.
4. If TaxSlayer's calculated age must be adjusted (e.g. Joint & Survivor annuity with someone other than the current spouse), enter a positive or negative adjustment in the adjustment box.



Calculate Taxable Amount: Simplified Method (cont'd)

5. Enter the amount that could have been recovered tax free in prior years even if not claimed. If this was entered correctly last year, the amount to enter this year can be found on line 10 of the Simplified Method Worksheet printed with last year's return, which is included in TaxSlayer's carryforward. If this is verified with the **Annuity/Pension Exclusion Calculator**, then see the tip below. For annuitants who retired between July 2, 1986 and Dec. 31, 1986, enter zero.

   The amount previously recovered must be entered to avoid over-recovering the annuitant's basis in the plan. TaxSlayer relies upon an accurate entry here to calculate the taxable amount in the final year of basis recovery and no further recovery beyond that.

6. If applicable, enter the amount of the PSO exclusion from this distribution, up to $3,000. See page D-58.

The taxable amount is calculated and carried to Box 2a on Form 1099-R.

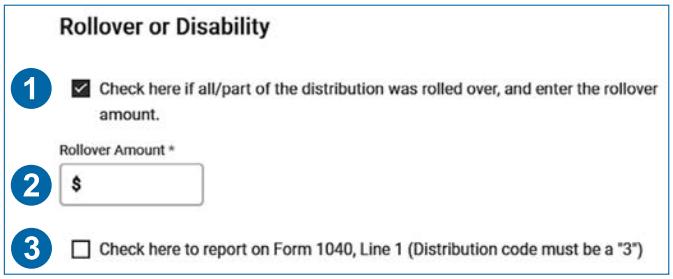
You can help next year's preparer with the Simplified Method by entering a note:

- If you used the **Annuity/Pension Exclusion Calculator**, then state in a note that the amounts previously recovered was verified with the calculator, and also include the annuity start date, annual exclusion amount, final year, and partial exclusion for that final year. Include a printout of the calculator's Exclusion Table in the taxpayer envelope.
- If an adjustment to the calculated age was needed in #4, then state the adjustment amount along with an explanation (e.g. date of birth of a joint annuitant that is not the current spouse).

To make a note that will not be transmitted to the IRS but will stay with the file, select the pull-down arrow to the right of the taxpayer's name in top right corner. Choose Notes. Then give the note a name and enter details. This note will be attached to the page where you created it and it will also be accessible from the Client Search List and included in the carryforward next year.

(B) Form 1099-R Rollovers and Disability Under Minimum Retirement Age

Minimum retirement age generally is the age at which you can first receive a pension or annuity if you aren't disabled. Ask the taxpayer for the minimum retirement age. It may differ between employers.



1. If any portion was rolled over, check to bring up #2 on the screen to enter the amount. This is required for all Box 7 codes, including code G. However, don't check this box if 100% of the rollover is taxable; e.g. for a Roth conversion rollover with no basis.
2. Ensure that your Box 2a entry excludes any nontaxable portion of the rollover. Then enter the rollover amount here as the difference between Box 1 and Box 2a.
3. Check if Code 3 is in Box 7 and the taxpayer is disabled and under the minimum retirement age of the employer's plan. This will reclassify the disability income as Other Earned Income on Form 1040. It will be considered earned income in the calculation of some credits.

There is no cost recovery of employee contributions prior to minimum retirement age.

Two 1099-R's should be issued by the plan administrator for the year that minimum retirement age occurs. If not, the preparer will have to prorate amount to be treated as wages based on the day the former employee reached the minimum retirement age during the year, then enter as two 1099-R forms into TaxSlayer.

Rollover – Key Points

- A taxpayer should not receive a Form 1099-R for a trustee-to-trustee transfer from one IRA to another (unless it is a Roth conversion), but should receive a Form 1099-R for a trustee-to-trustee direct rollover from an employer qualified plan to an IRA with code G or H.
- A rollover that involves a distribution of funds to the participant where they redeposit the funds into another IRA, the same IRA, or an employer plan within 60 days isn't taxable unless it is a Roth conversion. Form 1099-R will have either a code 1 or code 7. For a rollover that is not a Roth conversion, subtract the rollover amount from the gross distribution (Box 1) and enter the difference as the taxable amount in Box 2a (see #1 and #2 above). For Roth conversions, see page D-56.
- A participant is allowed only one rollover from an IRA to another (or the same) IRA in any 12-month period, regardless of the number of IRAs owned. The limit applies across all of an individual's IRA accounts (traditional, SEP, SIMPLE, and Roth IRAs) and if exceeded, the return is Out of Scope. However, trustee-to-trustee transfers between IRAs and conversions from traditional IRAs to Roth IRAs are not subject to this limit.
- Sometimes a distribution includes both a regular distribution (generally taxable) and a rollover (generally nontaxable). The Form 1099-R Rollover or Disability section is used to input the amount that won't be taxed and Box 2a needs to be adjusted.
- If taxpayer inadvertently missed the 60-day rollover deadline for a specified reason, they can submit a self-certification to the trustee to facilitate the late rollover, which can then be considered a rollover on their tax return. Refer taxpayer to Section 3. Self-Certification of **Revenue Procedure 2020-46** for details.
- Extended rollover period for qualified plan loan offset amounts: A qualified plan loan offset distribution (code M in Form 1099-R, box 7) is due to a plan termination or severance from employment. Instead of the usual 60-day rollover period, the taxpayer has until the due date for the return, including extensions, to contribute the amount of the offset to an eligible retirement plan as a rollover contribution.

When rolling or converting from pre-tax accounts to post-tax accounts (e.g. traditional IRAs to Roth IRAs), the amount will generally be taxable. See page D-56.

(B) Form 1099-R Roth IRA Distributions

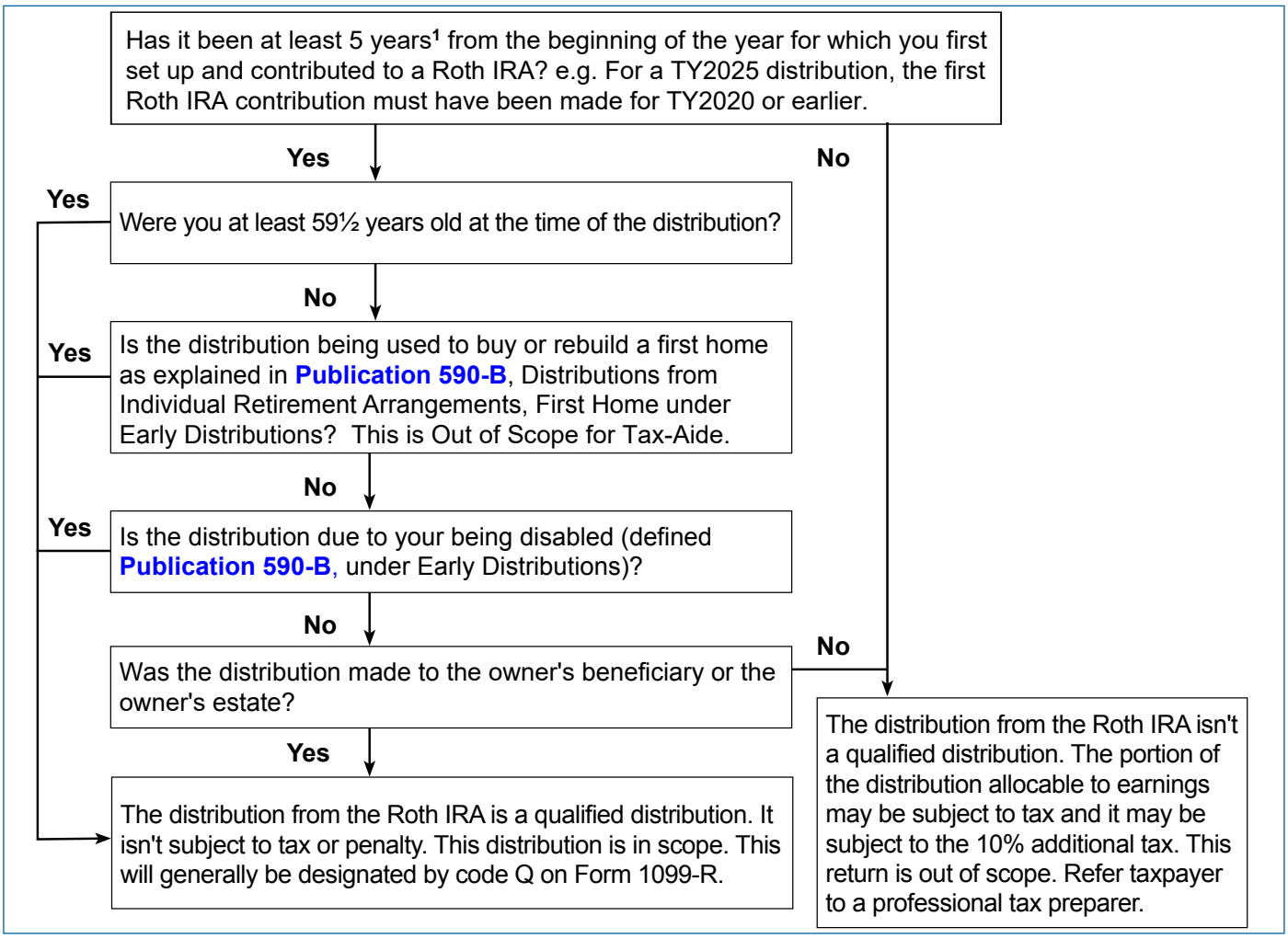
The basis of property distributed from a Roth IRA is its fair market value (FMV) on the date of distribution, whether or not the distribution is a qualified distribution.

You don't include in your gross income qualified distributions or distributions that are a return of your regular contributions from your Roth IRA(s). Distributions from a Roth IRA are tax-free, qualified distributions if the following requirements are met:

- The distribution is made after the 5-year period[1] beginning with the first day of the first taxable year for which a contribution was made to a Roth IRA set up for the taxpayer's benefit, and
- The distribution is:
  - Made on or after age 59½, or
  - Made because the taxpayer was disabled, or
  - Made to a beneficiary or to an estate, or
  - To pay certain qualified first-time homebuyer amounts (up to a $10,000 lifetime limit, Out of Scope)

Is the Distribution From Your Roth IRA a Qualified Distribution?

See the list of Roth IRA distribution codes on the following page that are In Scope and Out of Scope. Use the flowchart below to determine whether the taxpayer has a qualified Roth IRA distribution. Nonqualified distributions are Out of Scope.



[1]If you roll over a distribution from a designated Roth account to a Roth IRA, the period that the rolled-over funds were in the designated Roth account does not count toward this 5-year period.

Form 1099-R Box 7 Distribution Codes

⚠ If either the taxpayer or spouse also made voluntary contributions to an IRA or other qualified retirement plan, then see the 8880 column in this table and the explanatory footnote on the next page.

Box 7 Dist. Codes	8880	Explanations
1* – Early distribution, no known exception	?	• If some or all of this distribution was rolled over by the taxpayer, then see page D-61. • For amounts not rolled over, a 10% additional tax will be applied unless the taxpayer qualifies for an exception. See page H-7 for a list of exceptions. If the taxpayer qualifies for an exception, go to **Form 5329**, Additional Taxes on Qualified Plans and Other Tax-Favored Accounts, enter the amount that qualifies for an exception and select the reason for the exception from the drop-down list (see page H-6).
2* – Early distribution, exception applies	?	Code 2 applies if taxpayer is under 59 ½ but the payer knows that an exception to the additional tax applies, so Form 5329 is not required. If the IRA/SEP/SIMPLE box is checked, ask the taxpayer if any nondeductible contributions were made. If so, use **Form 8606** to calculate the taxable amount (see page D-56).
3 – Disability	?	Code 3 is for a disability pension. • If the taxpayer is under the minimum retirement age for the company he retired from, then check the box under Rollover or Disability that says, "Check here to report on Form 1040, Line 1h." This will reclassify the disability income as Other Earned Income and include it for calculation of the earned income credit, the additional child tax credit, and the credit for child and dependent care expenses. ○ The above no longer applies once the taxpayer reaches the minimum retirement age. • If this is a distribution for a retired public safety officer (PSO) from a plan maintained by the employer from which they retired as a PSO, then the PSO exclusion may apply. See page D-58.
4 – Death	?	Code 4 is for a survivor's benefit or an inherited IRA. If it's an inherited IRA and the original owner had a basis (made nondeductible contributions), the beneficiary takes over that basis. See page D-56.
6 – Section 1035 exchange	☑	Code 6 is a tax-free exchange of life insurance, annuity, qualified long-term care insurance, or endowment contract. It does not need to be reported on the tax return, but if it is then enter -0- in Box 2a.
7* – Normal distribution	?	Code 7 is for normal distributions. It may occur in several different situations: • A pension is fully taxable if the amounts in Box 1 and 2a are the same, and Box 2b isn't checked. ○ If Box 2b is checked and there is an amount in Box 9b, complete the Simplified Method. Be sure to use age at the time of retirement, not current age. See page D-59. • If this is a distribution for a retired public safety officer (PSO) from a plan maintained by the employer from which they retired as a PSO, then the PSO exclusion may apply. See page D-58. • If some or all of this distribution was rolled over by the taxpayer, then see page D-61. • If there is no amount (or zero) in Box 2a, check for an amount in Box 5. If this is the same amount as Box 1, the distribution is the taxpayer's own money coming back. None of the distribution will be taxed. • If this is an IRA distribution where any portion was sent directly from the trustee to a charity when the taxpayer was over 70 1/2 years old, then see Qualified Charitable Distributions (QCDs) on page D-65. • If the IRA/SEP/SIMPLE box is checked, ask the taxpayer if any nondeductible contributions were made. If so, use **Form 8606** to calculate the taxable amount (see page D-56).
8 – Excess contributions plus earnings taxable in the current year	☑	Code 8 is for corrective distributions of excess deferrals, excess contributions, and excess aggregate contributions. Box 2a is the taxable earnings ($0 if a loss). For a corrective IRA distribution reported with both box 7 codes 8 and 1, see code 1 above and **Form 5329**, code 21 on page H-7.
B – Designated Roth account distribution	!	Code B is for a distribution from a designated Roth account. This code is in scope only if taxable amount has been determined.
D – Annuity payments from nonqualified annuities	☑	Code D is used for a distribution from a private annuity in conjunction with the regular code. In Scope if taxable amount is provided in Box 2a or can be determined. Out of Scope if either of the following apply: • there is no amount in Box 2a and taxable amount cannot be determined (see page D-55, Example 4), or • the taxpayer's AGI exceeds the net investment income tax threshold amount ($200,000 for a single taxpayer or HoH; $250,000 MFJ or QSS; $125,000 MFS).
5, 9, A, E, K, N, P, R	OOS	These codes are Out of Scope for Tax-Aide (additional codes are OOS for VITA/TCE).

* For Codes 1, 2, and 7, if this was a Traditional IRA to Roth IRA conversion, see page D-56 for instructions.

Form 1099-R Box 7 Distribution Codes (cont'd)

⚠ If either the taxpayer or spouse also made voluntary contributions to an IRA or other qualified retirement plan, then see the 8880 column in this table and the explanatory footnote below.

Box 7 Distribution Codes	8880	Explanations
F – Charitable gift annuity	☑	Code F is used for the annuity payments from a charitable gift annuity. To determine the amount to enter in Box 2a (Taxable amount), subtract the amounts in Box 3 (Capital gain) and Box 5 (Employee contributions) from the Gross distribution (Box 1) and enter that difference in the Form 1099-R screen Box 2a. Also, navigate to Income>Capital Gains and Losses>Additional Capital Gain Distributions and enter the amount in Box 3 as a long-term capital gain.
G – Direct rollover of distribution and direct payment	☑	Code G can be used for a couple of different situations: • a direct rollover from a qualified plan to an eligible retirement plan. If Box 2a, taxable amount, is zero or blank, it won't be taxed. If there is an amount in Box 2a, the direct rollover is fully or partially taxable. See page D-61 for guidance on use of the rollover box. • an employer to report designated Roth nonelective contributions and designated Roth matching contributions. The taxable amount (Box 2a) will be the same as the Gross distribution (Box 1). Do not use the rollover box when reporting these taxable contributions.
H – Direct rollover of a designated Roth account distribution to a Roth IRA	☑	Code H is for a direct rollover of a distribution from a designated Roth account to a Roth IRA. It won't be taxed. Box 2a should be blank or zero (enter as -0-).
J – Early distribution from a Roth IRA	!	In Scope only if in error and distribution is a qualified distribution. See page D-62 to determine if distribution was qualified.
L – Loans treated as deemed distributions	☑	Code L is for loans treated as deemed distributions. This code could possibly be combined with codes 1, 2, 4, 7, or B. For more information on how it is treated see the codes on this chart.
M – Qualified plan loan offset	?	Code M is used for a qualified plan loan offset distribution due to plan termination or severance from employment. The taxpayer has until the due date, including extensions, to rollover any of the amount. Treat the distribution based on the other code included in Box 7: 1, 2, 4, 7 or B.
Q – Qualified distribution from a Roth IRA	!	This distribution isn't taxable. Box 2a should be blank (enter as -0-). TaxSlayer enters the distribution amount on Form 1040 on the IRAs, pensions, and annuities line.
S – Early distribution from a SIMPLE IRA in the first 2 years, no known exception	?	A 25% additional tax will be applied unless the taxpayer qualifies for an exception. See page H-7 for a list of exceptions. If the taxpayer qualifies for an exception, go to **Form 5329** and enter the amount of the distribution not subject to the additional tax and select the exception reason from the dropdown list.
T – Roth IRA distribution, exception applies	!	Used if taxpayer is at least 59 ½, has died, or is disabled but the payer doesn't know if the 5-year holding period has been met. In Scope only if it was a qualified distribution. See page D-62 to determine if distribution was qualified.
U – Dividends distributed from an ESOP	☑	Treat just like Code 7.
W – Charges or payments for purchasing qualified long-term care insurance contracts under combined arrangements.	?	This distribution is excludable from gross income. It does not need to be reported on the tax return, but if it is then enter -0- in Box 2a (and if itemizing deductions, reduce the MAGI in the sales tax calculation by the amount in Box 1).
Y – Qualified charitable distribution (QCD)	☐	Note that the use of code Y is optional for TY2025 — not all QCDs will be designated by a code Y. See Qualified Charitable Distributions (QCDs) on the next page. Advanced Certification is required.
5, 9, A, E, K, N, P, R	OOS	These codes are Out of Scope for Tax-Aide (additional codes are OOS for VITA/TCE).

Explanation of 8880 Column: If the taxpayer or spouse also made voluntary contributions to an IRA or other qualified plan, then additional entries may be required to include or exclude a Form 1099-R distribution for the Saver's Credit. The 8880 column has one of the following three symbols:

☑ - Check the "Does not carry to Form 8880" box on the Form 1099-R screen in TaxSlayer.

☐ - Do NOT check the "Does not carry to Form 8880" box on the Form 1099-R screen in TaxSlayer.

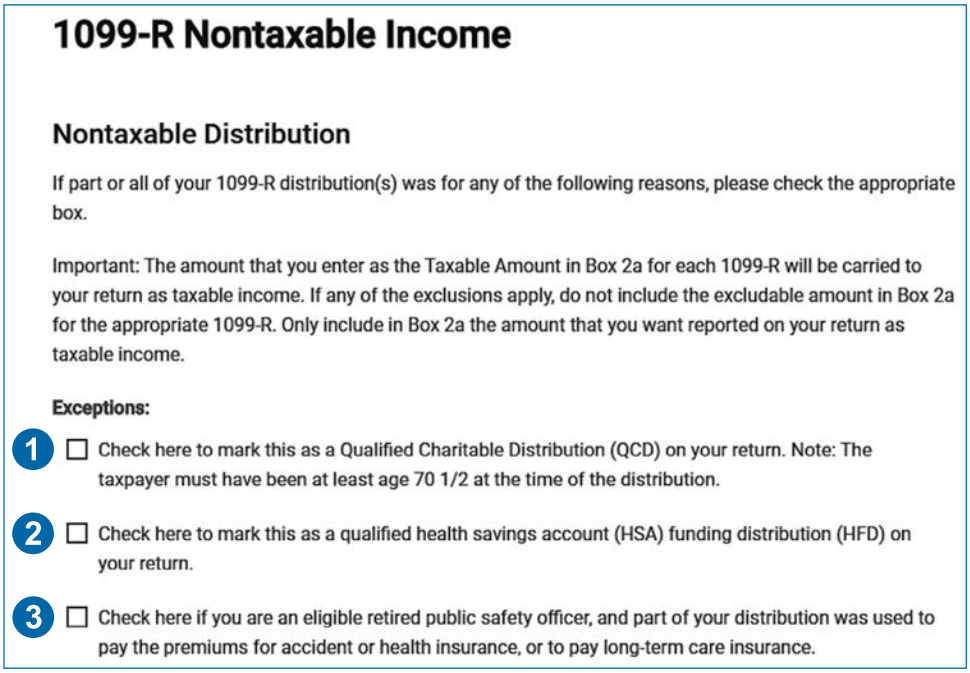
? - Use the chart on page G-18 to determine the additional entries that may be required to adjust Form 8880.

! - Use the chart on page G-18 to determine the additional entries required to include a nontaxable Roth distribution on Form 8880.

Form 1099-R Nontaxable Income

Income>1099-R, RRB, SSA>Nontaxable Distributions

1. See Qualified Charitable Distribution (QCDs) below. TaxSlayer automatically checks this box when a QCD is entered as described in #3 on page D-57. However, manually check this box if the taxable amount was manually reduced for the QCD on the 1099-R screen.
2. A Qualified Health Savings Account (HSA) funding distribution made from an IRA to an HSA is Out of Scope.
3. Do not use this checkbox as it alone will not produce the required Public Safety Officer (PSO) notation on Form 1040. See #1 and #2 on page D-57.



1099-R Nontaxable Income

Nontaxable Distribution

If part or all of your 1099-R distribution(s) was for any of the following reasons, please check the appropriate box.

Important: The amount that you enter as the Taxable Amount in Box 2a for each 1099-R will be carried to your return as taxable income. If any of the exclusions apply, do not include the excludable amount in Box 2a for the appropriate 1099-R. Only include in Box 2a the amount that you want reported on your return as taxable income.

Exceptions:

1. ☐ Check here to mark this as a Qualified Charitable Distribution (QCD) on your return. Note: The taxpayer must have been at least age 70 1/2 at the time of the distribution.
2. ☐ Check here to mark this as a qualified health savings account (HSA) funding distribution (HFD) on your return.
3. ☐ 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.

(A) Qualified Charitable Distributions (QCDs):

- To qualify as a QCD, the distribution must be made directly from a traditional IRA to a qualified charitable organization, the taxpayer must be at least age 70½ at the time of distribution, and the taxpayer must have the same type of acknowledgment that is needed to claim a charitable contribution deduction.
- QCDs are excluded from income, but count toward the IRA owner's Required Minimum Distribution. The excluded amount is not allowed as a charitable deduction on Schedule A.
- Form 1099-R distribution code Y designates a QCD, but not all QCDs will be identified this way. Confirm the amount of the QCD and that all eligibility requirements are met with the taxpayer.
- See #5 on page D-53 and #3 on page D-57 to enter a QCD, regardless of whether code Y was used. This entry will subtract the QCD amount from box 2a (taxable amount) of the IRA distribution. Do not adjust the amount in Box 16, State Distribution, to match.
- If the IRA includes basis from nondeductible contributions, then the Qualified Charitable Distribution comes from the otherwise taxable IRA funds with no impact to basis. However, see page D-56 if the taxpayer received a distribution from the IRA other than the QCD.

The excludable portion of QCDs is reduced by any IRA contributions deducted for 2020 or later tax years when the taxpayer was age 70½ or older. This applies cumulatively to deductions and distributions, and separately to the taxpayer and spouse. For more details, see Tax-Aide's **NTTC 4491**, *Income – Retirement* lesson. The NTTC **Reduced QCD by IRA Deduction Worksheet** contains instructions and an example that should be used for taxpayers affected by this provision.

If taxpayers receive or expect to receive a state or local tax credit for their QCD, the amount treated as a QCD may be reduced by the amount of the state or local tax credit. See **Publication 526**, Charitable Contributions, for details.

Disaster-Related Distributions

Qualified disaster distributions other than 2020 coronavirus-related distributions are Out of Scope. See Qualified Disaster Distribution Requirements in the **Instructions for Form 8915-F** for the requirements to designate a distribution from an IRA or other eligible retirement plan as a qualified disaster distribution.

Casualty Losses

The requirements to be able to deduct a Casualty Loss (Out of Scope) differ from disaster-related distributions. Use the NTTC **Casualty Loss Screening Tool** to assist in determining if a Taxpayer affected by a federally declared disaster is In Scope.

Additional Disaster-Related Information

See page B-22 for taxpayers whose residence or place of business is located in the disaster area, or other affected taxpayers. For more details on affected taxpayers, see **Tax Topic no. 107**.

For additional disaster-related information, refer to:

- Disaster Assistance and Emergency Relief for Individuals and Businesses at **www.irs.gov/disasters**
- **Publication 5396**, Fact Sheet for VITA/TCE Sites Impacted by Federally Declared Disasters
- **Publication 5396-A**, Job Aid: Using Form 4852 when Missing the Form W-2 or 1099-R for VITA/TCE Volunteers

(A) Form RRB-1099-R Distributions

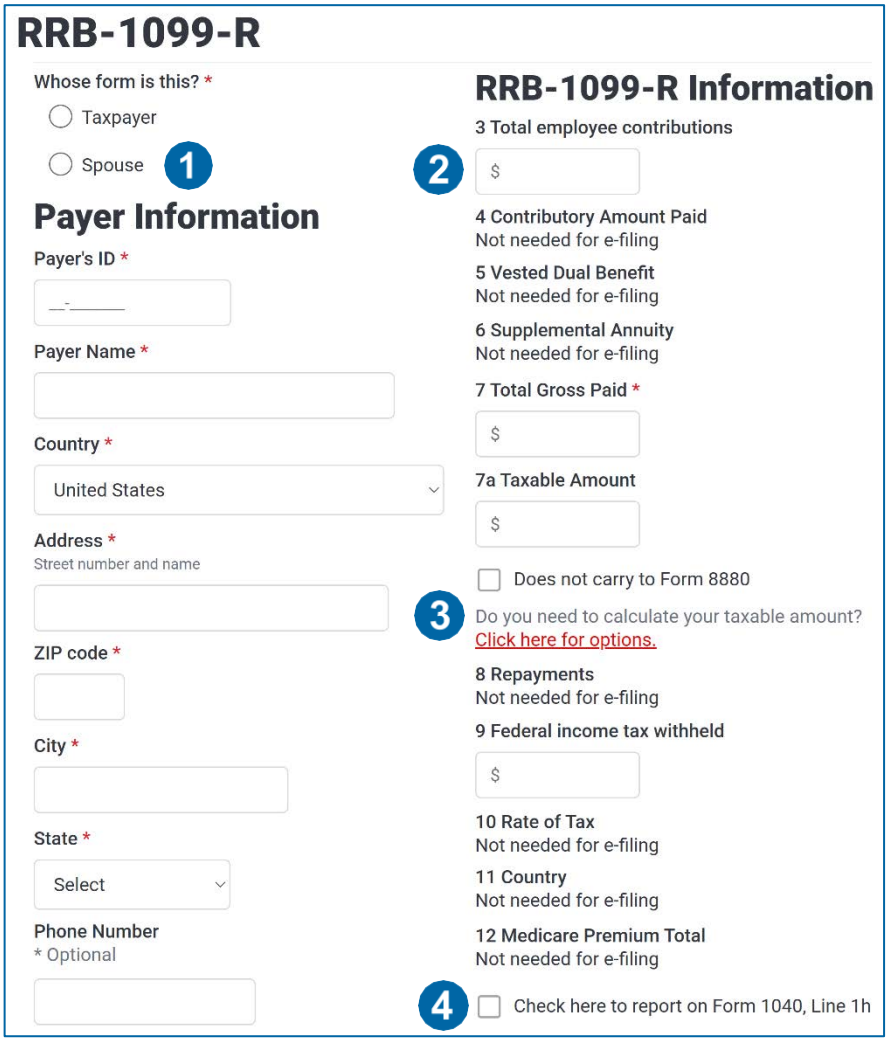
Income>Form 1099-R, RRB, SSA>RRB-1099-R; or Keyword: RRB

Railroad Retirement Benefits (RRB) are reported on two forms and require two entry screens:

- Form RRB-1099 Tier 1 (Blue Form) is Social Security Equivalent Benefits treated just like a Form SSA-1099. Enter these benefits on the Social Security Benefits screen shown on the next page.
- Form RRB-1099-R Tier 2 (Green Form) is entered on the screen shown below.

Always check the box for **Does not carry to Form 8880** on the screen shown below — this must be done before entering the Simplified Method Worksheet. An RRB-1099-R Tier 2 distribution is not taxable by any state, but a state subtraction may need to be entered if TaxSlayer doesn't automatically exclude it.

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

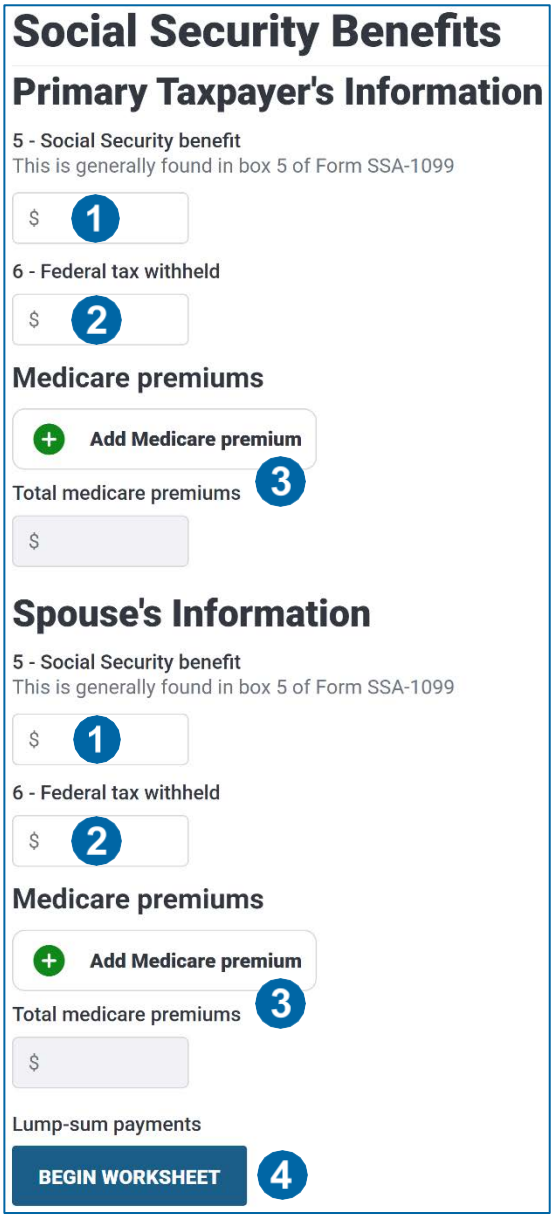


1. A spouse of a railroad retiree receives a spouse annuity reported on their own, separate RRB-1099-R even though the spouse was not employed by the railroad.
   - The simplified method does not apply to a spouse annuity while the retiree is alive.
   - Survivor annuities are available for all surviving spouses and use the simplified method until the employee's cost in the plan is fully recovered. If box 3 is blank on a survivor annuity, reference the box 3 amount from the employee's final RRB-1099-R (have the taxpayer contact the RRB if not available).
2. If there is an amount in Box 3, the taxable amount may have to be determined using the simplified method.
3. If the simplified method is required, then select **Click here for options**., See page D-59 for more details.
   - Railroad retirement pensions that start when both the retiree and the spouse are alive are always joint and survivor annuities. See #3 on page D-59 for details on when to use their combined age vs. when to use a single age.
   - Do not use the simplified method if you check #4 on this screen. Cost recovery of employee contributions doesn't start until minimum retirement age is reached.
4. Check this box if this is a disability annuity received prior to the minimum retirement age set by the employer. This will reclassify the disability income as Other Earned Income on Form 1040. It will be considered earned income in the calculation of some credits.

(B) Form SSA-1099/RRB-1099 Tier 1 Distributions

Income>Form 1099-R, RRB, SSA>Social Security Benefits/RRB-1099; or Keyword: SSA

1. Enter amount from Box 5 of Form SSA-1099 or blue Form RRB-1099 (Tier 1 Net Social Security Equivalent Benefits).
2. Enter any tax withheld as shown in Box 6 of an SSA-1099 or Box 10 of an RRB-1099.
3. Use the **Add Medicare premium** button to enter Medicare Part A, B, C, and D premiums. This carries to itemized deductions, so exclude amounts used for the Public Safety Officer (PSO) exclusion or Self-Employed Health Insurance (SEHI) deduction.
4. Determine if a **lump-sum payment** was received (benefits attributable to a prior year) by checking the Description of Amount in Box 3 at the bottom-left of Form SSA-1099, or Boxes 7–9 on Form RRB-1099. If so:
   - Complete the Social Security Lump-Sum Payment worksheet on the next page if the taxpayer can provide the applicable prior year tax return(s). TaxSlayer will reduce the taxable amount of Social Security if the lump-sum method is more beneficial.
   - If prior year return information is not available, the lumpsum method can't be used, and the taxable amount remains calculated based on current year income.



If **multiple Forms SSA-1099 or RRB-1099** (Tier 1 Blue Form) were received for the same SSN, combine them and enter as a single total.

If Box 5 of an SSA-1099 or RRB-1099 is a **negative amount**, then the taxpayer repaid more than was received. Combine the Box 5 amounts across all Forms SSA-1099 or RRB-1099 (including for both spouses if filing jointly), to determine the combined net benefit.

- If the combined net benefit is positive, then enter that amount into TaxSlayer.
- If the combined net benefit is negative and $3,000 or less, it does not need to be entered on this screen. This is a 2% miscellaneous itemized deduction that is not federally deductible, but may be state deductible.
- If the combined net benefit is a negative amount in excess of $3,000, the return is OOS. Taxpayer may be able to take an itemized deduction or a credit for part of the excess repayments if they were for benefits included in income in an earlier year. However, this deduction or credit is Out of Scope.

Canada Pension Plan, Quebec Pension Plan and Old Age Security from Canada and Germany are treated like US Social Security and in scope for Tax-Aide. Add amounts (converted to US dollars by the taxpayer) to amounts on the Social Security SSA-1099 screen shown above. See page D-70 for details.

A corrected Form SSA-1099 is indicated by the presence of an extra rectangular box in the upper right-hand corner of the SSA-1099 containing the date of the correction and an extra pink band along the top.

See the NTTC **Taxable Social Security Guide** for an explanation of Social Security taxation.

(B) Form SSA-1099 Lump-Sum Distributions

Income>Form 1099-R, RRB, SSA>Social Security Benefits/RRB 1099>Begin Worksheet;
or Keyword SSA

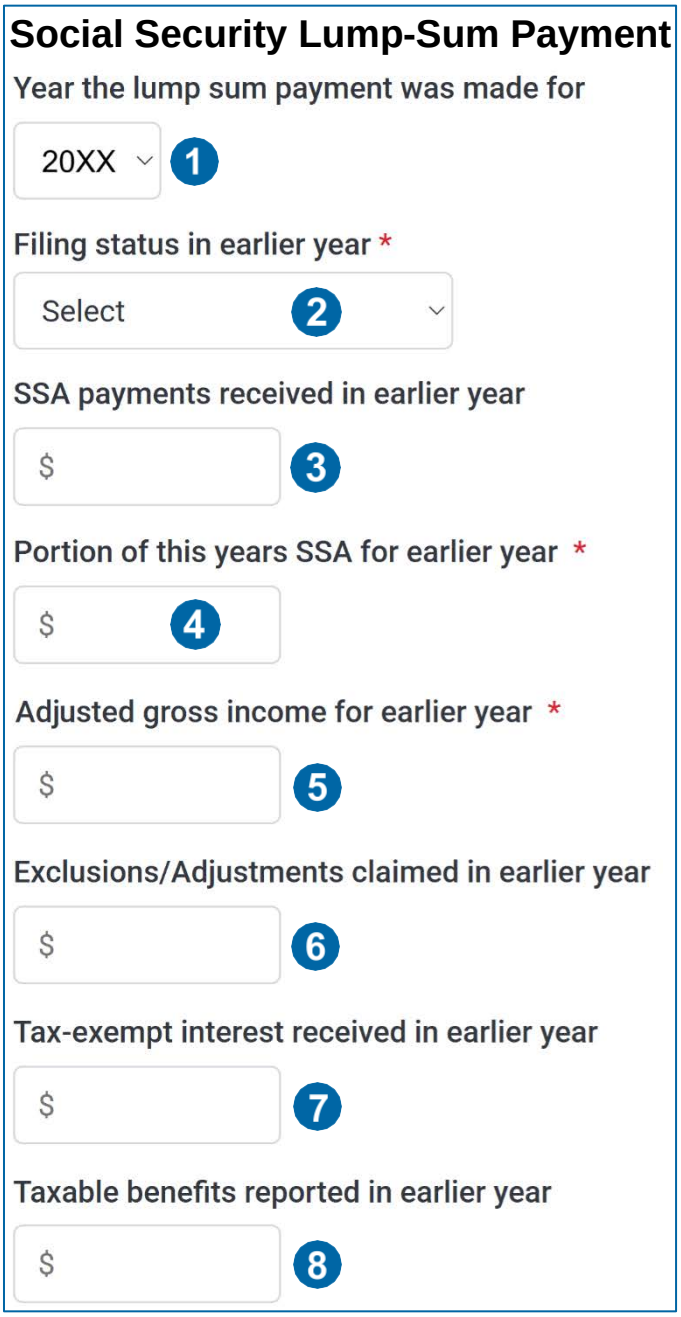
Locate the lump-sum payment details on Form SSA-1099 (Description of Amount in Box 3) or Form RRB-1099 (Boxes 7-9). If Box 9 of Form RRB-1099 has an amount, the taxpayer must contact the RRB to get a year-by-year breakdown.

Complete a separate worksheet in TaxSlayer for each prior year included in the lump-sum payment.

Use the information from Form SSA-1099 or Form RRB-1099 to complete #1 and #4. For all other fields, refer to the tax return for the prior year selected in #1.

1. Select the prior year to which the lump-sum payment applies.
2. Select the filing status used on the return for that prior year.
3. Enter the **total** Social Security benefits received for the prior year (Line 6a of Form 1040 or 1040-SR for TY2020 or later). Do not include this year's lump-sum payment. If prior year return was MFJ, include benefits received by both the taxpayer and spouse.

   Only leave fields #3, #6, #7, and #8 blank if they do not apply. If applicable, they must be entered; otherwise, the total taxable Social Security may be calculated incorrectly.
4. Enter the portion of this year's lump-sum payment that applies to the prior year selected in #1.
5. Enter the prior year's adjusted gross income (Line 11 of Form 1040 or 1040-SR for TY2020 or later).
6. Enter the sum of the following prior year adjustments and exclusions:
   - Student loan interest deduction (Schedule 1, Part II)
   - Foreign earned income exclusion or housing deduction (Form 2555)
   - Exclusion of certain income of bona fide residents of American Samoa (Form 4563) or Puerto Rico
   - Adoption benefits (Form 8839)
   - Qualified U.S. Savings Bond interest (Form 8815)
7. Enter tax-exempt interest received in the prior year (Line 2a of Form 1040 or 1040-SR for TY2020 or later).
8. Enter the **taxable** Social Security benefits reported in the prior year (Line 6b of Form 1040 or 1040-SR for TY2020 or later). If prior year return was MFJ, include taxable benefits for both the taxpayer and spouse.



(B) Canadian and German Social Security Benefits

The following are treated as U.S. Social Security for tax purposes and are in scope for Tax-Aide. Your state's tax treatment may differ.

- Canada: NR4 income codes 44, 45, 46, 47, 48, 49, 50, and 51 (also 86 for TY2021 only)
- Germany: Old-Age, Disability, and Survivors Security

⚠ Income from all other foreign retirement arrangements (including Canada NR4 code 88) is Out of Scope (may need special reporting on FinCEN FBAR 114 or Form 8938).

The taxpayer should have converted this income from Canadian dollars (CAD) or euros (EUR) into U.S. dollars (USD). That should be the gross amount, before any currency conversion costs. Add that to any U.S. Social Security benefit and enter the total as the taxpayer's or spouse's Social Security benefit on TaxSlayer's Social Security SSA-1099 screen shown on page D-68.

If the volunteer calculates the currency conversion, they should document it in the taxpayer's intake booklet and in a TaxSlayer preparer's note. Divide the CAD/EUR amount by the applicable yearly average exchange rate from: **irs.gov/individuals/international-taxpayers/yearly-average-currency-exchange-rates**

The examples below use 2025 rates. Use the rates applicable to the return you are working on.

Example 1, Canada: For TY2025, the taxpayer had a U.S. Form SSA-1099 showing $10,000 in Social Security benefit and a Canadian NR4 statement showing 4,000 CAD with income code 46 and 5,000 CAD with income code 44. The Canada row in the table at the IRS link above shows that the 2025 yearly average exchange rate was 1.398 CAD to 1 USD.

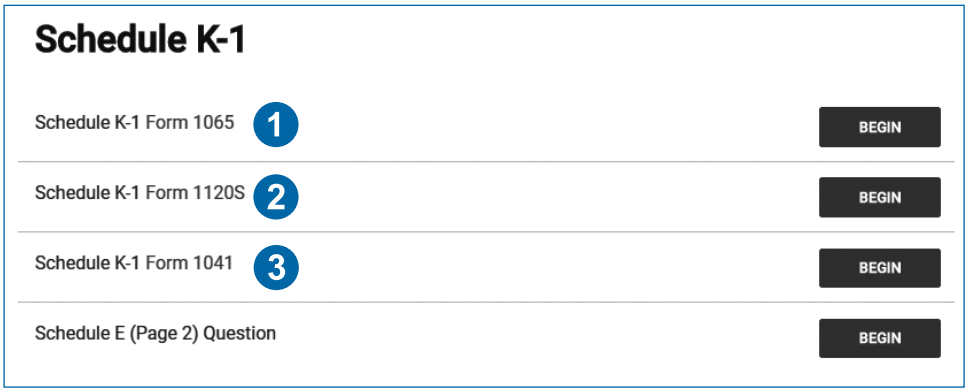
Box 5 of SSA-1099 (or RRB-1099 Tier 1)	$10,000
Canada NR4 income code 46 (Pension Plan): 4,000 CAD / 1.398	$2,861
Canada NR4 income code 44 (Old Age Security): 5,000 CAD / 1.398	$3,577
Total to enter in TaxSlayer as Social Security Benefit	**$16,438**

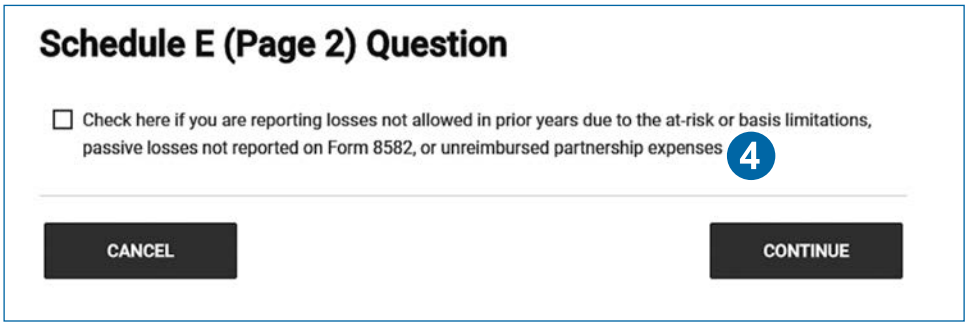
Example 2, Germany: For TY2025, the taxpayer had a U.S. Form SSA-1099 showing $10,000 in Social Security benefit and 5,000 EUR of German Old Age Security. The Euro Zone row in the table at the IRS link above shows that the 2025 yearly average exchange rate was 0.886 EUR to 1 USD.

Box 5 of SSA-1099 (or RRB-1099 Tier 1)	$10,000
German Old-Age Security: 5,000 EUR / 0.886	$5,643
Total to enter in TaxSlayer as Social Security Benefit	**$15,643**

(A) Schedules K-1

Income>Other Income>K-1 Earnings ; or Keyword: K-1





Choose the correct option based on the form that the Schedule K-1 comes from. The form number is identified at the top-left of the schedule beneath the words "Schedule K-1," as shown on the next 3 pages.

1. If the taxpayer's Schedule K-1 comes from a Form 1065 (Partnership), see page D-74.
2. If the taxpayer's Schedule K-1 comes from a Form 1120-S (S-Corporation), see page D-73.
3. If the taxpayer's Schedule K-1 comes from a Form 1041 (Estate or Trust) tax return, see next page.
4. This situation is Out of Scope.

Income reported on Schedule K-1 that is **In Scope** includes:

- Interest income
- Dividend income
- Qualified Dividend income
- Net short-term capital gains and losses (Schedule D)
- Net long-term capital gains and losses, including unrecaptured section 1250 gains (Schedule D)
- Tax-exempt interest income
- Royalty income (Schedule E)
- Foreign tax credit
- 199A dividends

Items reported on a Schedule K-1 that are not listed above may make the return Out of Scope. Refer to the next three pages for scope details specific to each type of Schedule K-1.

Most in scope K-1s will be from a passive entity, and the taxpayer's investment will be at risk. Be sure to select these boxes in the software, if applicable. TaxSlayer may give you a warning if the At-Risk box is left blank.

(A) Schedule K-1 (Form 1041) Instructions and Scope

661117

Final K-1 ☐ Amended K-1 ☐ OMB No. 1545-0092

Schedule K-1 (Form 1041)

Department of the Treasury
Internal Revenue Service

2025

For calendar year 2025, or tax year

beginning / / 2025 ending / /

Beneficiary's Share of Income, Deductions, Credits, etc.

See back of form and instructions.

Part I Information About the Estate or Trust

A Estate's or trust's employer identification number

B Estate's or trust's name

C Fiduciary's name, address, city, state, and ZIP code

D ☐ Check if Form 1041-T was filed and enter the date it was filed

E ☐ Check if this is the final Form 1041 for the estate or trust

Part II Information About the Beneficiary

F Beneficiary's identifying number

G Beneficiary's name, address, city, state, and ZIP code

Part III Beneficiary's Share of Current Year Income, Deductions, Credits, and Other Items

1	Interest income	11	Final year deductions
		C	Short Term Cap Loss Carryover
2a	Ordinary dividends	D	Long Term Cap Loss Carryover
2b	Qualified dividends		Other Codes OOS
3	Net short-term capital gain		
4	Net long-term capital gain		
4b	28% rate gain OOS	12	Alternative minimum tax adjustment 1
4c	Unrecaptured section 1250 gain		
5	Other portfolio and nonbusiness income OOS		
6	Ordinary business income OOS		
7	Net rental real estate income OOS		
8	Other rental income OOS	13	Credits and credit recapture
		A	Estimated Tax Paid
9	Directly apportioned deductions OOS	B	Income Tax Withheld
		C-Z	OOS
		14	Other information
		A	Tax-exempt interest
10	Estate tax deduction 2	B	3 Foreign Taxes
		I	Only enter for Sec. 199A REIT dividends, otherwise disregard (see page F-18).
			Codes F, G, H: OOS
		E	Disregard for an in-scope return

* See attached statement for additional information.

Note: A statement must be attached showing the beneficiary's share of income and directly apportioned deductions from each business, rental real estate, and other rental activity.

OOS = Out of Scope; if any item is OOS, then the return is OOS (not unique to Schedules K-1).

1. Disregard Box 12 if AMT does not apply (will not apply if AGI is less than $137,000 for MFJ or QSS, $68,500 for MFS, or $88,100 for all other filing statuses). If AMT applies, the return is Out of Scope.
2. The taxpayer can claim this as a deduction on Schedule A, Line 16, other itemized deductions not subject to 2%, if itemizing. Enter on TaxSlayer's Form 1041, Schedule K-1 screen and it will carry to Schedule A.
3. Box 14b does not appear on TaxSlayer's Form 1041, Schedule K-1 screen. Make the following entries instead:
   a. Enter amounts for Code B in Deductions>Credits>Foreign Taxes Paid, see page G-8.
   b. Enter in state as needed.

(A) Schedule K-1 (Form 1120-S) Instructions and Scope

671124

☐ Final K-1 ☐ Amended K-1 OMB No. 1545-0123

Schedule K-1 (Form 1120-S) 2025

Department of the Treasury
Internal Revenue Service

For calendar year 2025, or tax year beginning / / 2025 ending / /

Shareholder's Share of Income, Deductions, Credits, etc. See separate instructions.

Part I Information About the Corporation

A Corporation's employer identification number

B Corporation's name, address, city, state, and ZIP code

C IRS Center where corporation filed return

D Corporation's total number of shares
Beginning of tax year
End of tax year

Part II Information About the Shareholder

E Shareholder's identifying number

F1 Shareholder's name, address, city, state, and ZIP code

F2 If the shareholder is a disregarded entity, a trust, an estate, or a nominee or similar person, enter the individual or entity responsible for reporting:
TIN Name
F3 What type of entity is this shareholder?

G Current year allocation percentage %

H Shareholder's number of shares
Beginning of tax year
End of tax year

Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss) OOS	13 O	Credits Tax Withheld
2	Net rental real estate income (loss) OOS		Other Codes OOS
3	Other net rental income (loss) OOS		
4	Interest Income		
5a	Ordinary dividends		
5b	Qualified dividends	14	Schedule K-3 is attached if checked ☐
6	Royalties	15	Alternative minimum tax (AMT) items 1
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss) OOS		
8c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss) OOS	16 A	Items affecting shareholder basis Tax-exempt Interest
10	Other income (loss) OOS	C	Nondeductible expenses Adjust on State as needed 2
		F	Foreign tax paid or accrued 3
			Other Codes OOS
		17 U	Other information 2
11	Section 179 deduction OOS	V	Only enter for Sec. 199A REIT dividends, otherwise disregard (see page F-18).
12 H	Other deductions In Scope only if not itemizing		
	Other Codes OOS		
			Other Codes OOS

OOS = Out of Scope; if any item is OOS, then the return is OOS (not unique to Schedules K-1).

1. Disregard Box 15 if AMT does not apply (will not apply if AGI is less than $137,000 for MFJ or QSS, $68,500 for MFS, or $88,100 for all other filing statuses). If AMT applies, the return is Out of Scope.
2. No need to enter in TaxSlayer (Box 16 Code C and Box 17 Code U)
3. Do not enter the Box 16, Code F amount on TaxSlayer's Form 1120-S, Schedule K-1 screen. Instead:
   a. Enter amounts for Code F in Deductions>Credits>Foreign Taxes Paid, see page G-8.
   b. Enter in state as needed.

(A) Schedule K-1 (Form 1065) Instructions and Scope

651123

Schedule K-1 (Form 1065) — 2025
Department of the Treasury
Internal Revenue Service
For calendar year 2025, or tax year beginning / / 2025 ending / /
OMB No. 1545-0123

Final K-1 ☐ Amended K-1 ☐

Partner's Share of Income, Deductions, Credits, etc. See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number

B Partnership's name, address, city, state, and ZIP code

C IRS center where partnership filed return:

D ☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's SSN or TIN (Do not use TIN of a disregarded entity. See instructions.)

F Name, address, city, state, and ZIP code for partner entered in E. See instructions.

G ☐ General partner or LLC member-manager ☐ Limited partner or other LLC member

H1 ☐ Domestic partner ☐ Foreign partner

H2 ☐ If the partner is a disregarded entity (DE), enter the partner's: TIN ____ Name ____

I1 What type of entity is this partner?

I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here ☐ (3)

J Partner's share of profit, loss, and capital (see instructions):

	Beginning	
Profit	%	%
Loss		
Capital	%	%

Check if decrease is due to: ☐ Sale or ☐ Exchange of partnership interest. See instructions.

K1 Partner's share of liabilities:

	Beginning	Ending
Nonrecourse	$	$
Qualified nonrecourse financing	$	$
Recourse	$	$

K2 Check this box if item K1 includes liability amounts from lower-tier partnerships ☐

K3 Check if any of the above liability is subject to guarantees or other payment obligations by the partner. See instructions ☐

L **Partner's Capital Account Analysis**

Beginning capital account	$
Capital contributed during the year	$
Current year net income (loss)	$
Other increase (decrease) (attach explanation)	$
Withdrawals and distributions	$ ( )
Ending capital account	$ **If negative, OOS**

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss) OOS	14	Self-employment earnings (loss)
2	Net rental real estate income (loss) OOS		
3	Other net rental income (loss) OOS	15 O	Credits: Tax Withheld
4a	Guaranteed payments for services OOS		Other Codes OOS
4b	Guaranteed payments for capital OOS	16	Schedule K-3 is attached if checked ☐
4c	Total guaranteed payments OOS	17	Alternative minimum tax (AMT) items (1)
5	Interest Income		
6a	Ordinary dividends		
6b	Qualified dividends	18 A	Tax-exempt income and nondeductible expenses: Tax-exempt Interest
6c	Dividend Equivalents	B,C	Nondeductible expenses Adjust on State as needed (2)
7	Royalties		Other Codes OOS
8	Net short-term capital gain (loss)	19	Distributions: N/A Disregard
9a	Net long-term capital gain (loss)		
9b	Collectibles (28%) gain (loss) OOS	20 Y	Other information (2)
9c	Unrecaptured section 1250 gain	Z	Only enter for Sec. 199A REIT dividends, otherwise disregard (see page F-18).
10	Net section 1231 gain (loss) OOS		
11	Other income (loss) OOS	A,B	Disregard for an in-scope return
12	Section 179 deduction OOS	21	Foreign taxes paid or accrued (4)
13 H	Other deductions: In Scope only if not itemizing		
	Other Codes OOS		

22 ☐ More than one activity for at-risk purposes*

23 ☐ More than one activity for passive activity purposes*

*See attached statement for additional information.

Use Only

OOS = Out of Scope; if any item is OOS, then the return is OOS (not unique to Schedules K-1).

1. Disregard Box 17 if AMT does not apply (will not apply if AGI is less than $137,000 for MFJ or QSS, $68,500 for MFS, or $88,100 for all other filing statuses). If AMT applies, the return is Out of Scope.
2. No need to enter in TaxSlayer (Box 18 Codes B and C, and Box 20 Code Y)
3. Disregard the Form 1065, Schedule K-1 if box I2 is checked (indicating that the partner is a retirement plan such as an IRA).
4. Do not enter the Box 21 amount on TaxSlayer's Form 1065, Schedule K-1 screen. Instead:
   a. Enter amounts for Box 21 in Deductions>Credits>Foreign Taxes Paid, see page G-8.
   b. Enter in state as needed.

(A/M) Entering Rental Income

Income>Schedule E; or Keyword: SC

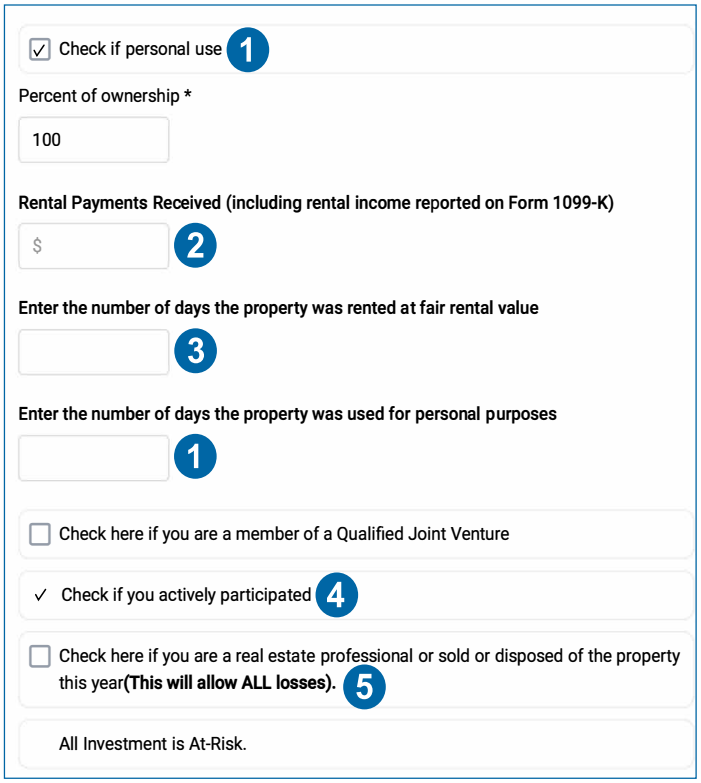
Residential rental income is only in scope for an active duty military taxpayer who provides the depreciation amount (Military certification required). Out of Scope if additional Form 8582 entries are required beyond the automatic entries by the software.

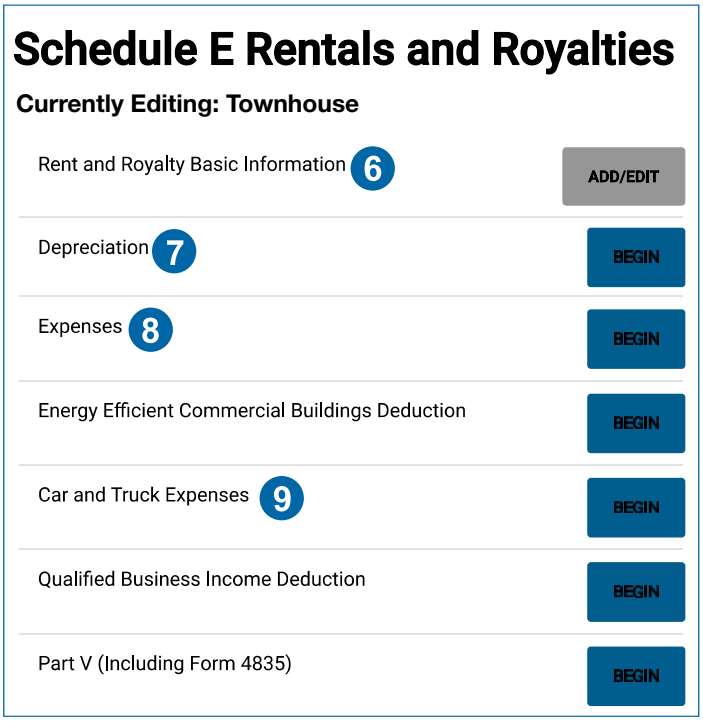
Advanced Certification is required for:

- Land-only rental. See note on next page.
- Royalty income from Form 1099-MISC or a Schedule K-1 with no expenses. See page D-80.
- Rental of a personal residence for less than 15 days during the year is not considered a rental activity, is not taxable income, and the expenses are not deductible on Schedule E (In Scope). Residence must have also had at least 15 days of personal use during the year. See **Publication 527**, Residential Rental Property.

The following are Out of Scope:

- Rental income other than as above.
- Rentals at less than fair rental value.
- Rental activities that are a business.





1. Check the box if the taxpayer had any days of personal use while the property was available for rent. Enter the number of days here.
2. Enter total rental payments received for the tax year.
3. Enter number of days rented at fair rental value.
4. Check here if the taxpayer actively participated. A rental loss will not appear on Form 1040, unless the taxpayer actively participated. In order to actively participate, the taxpayer must have substantial involvement in managing the rental property, such as making management decisions and arranging for repairs.
5. Use Schedule E to report rental income only when the taxpayer is not a real estate professional (determination of professional status is Out of Scope). Refer taxpayers who are real estate professionals to a professional tax preparer.
6. Select to edit the physical address, type of property, and to report the number of fair rental and personal use days.
7. The return is Out of Scope if Form 4562, Depreciation and Amortization, is required; e.g., for the first year of a rental and any year when there are depreciable additions. When Form 4562 is not required, the taxpayer must provide the depreciation amount, but do not enter it here — see #10 on the next page.
8. Select to enter rental expenses. See the next page.
9. Select to enter vehicle expenses using the standard mileage rate. The actual expense method is OOS.

Entering Rental Income in TaxSlayer (cont'd)

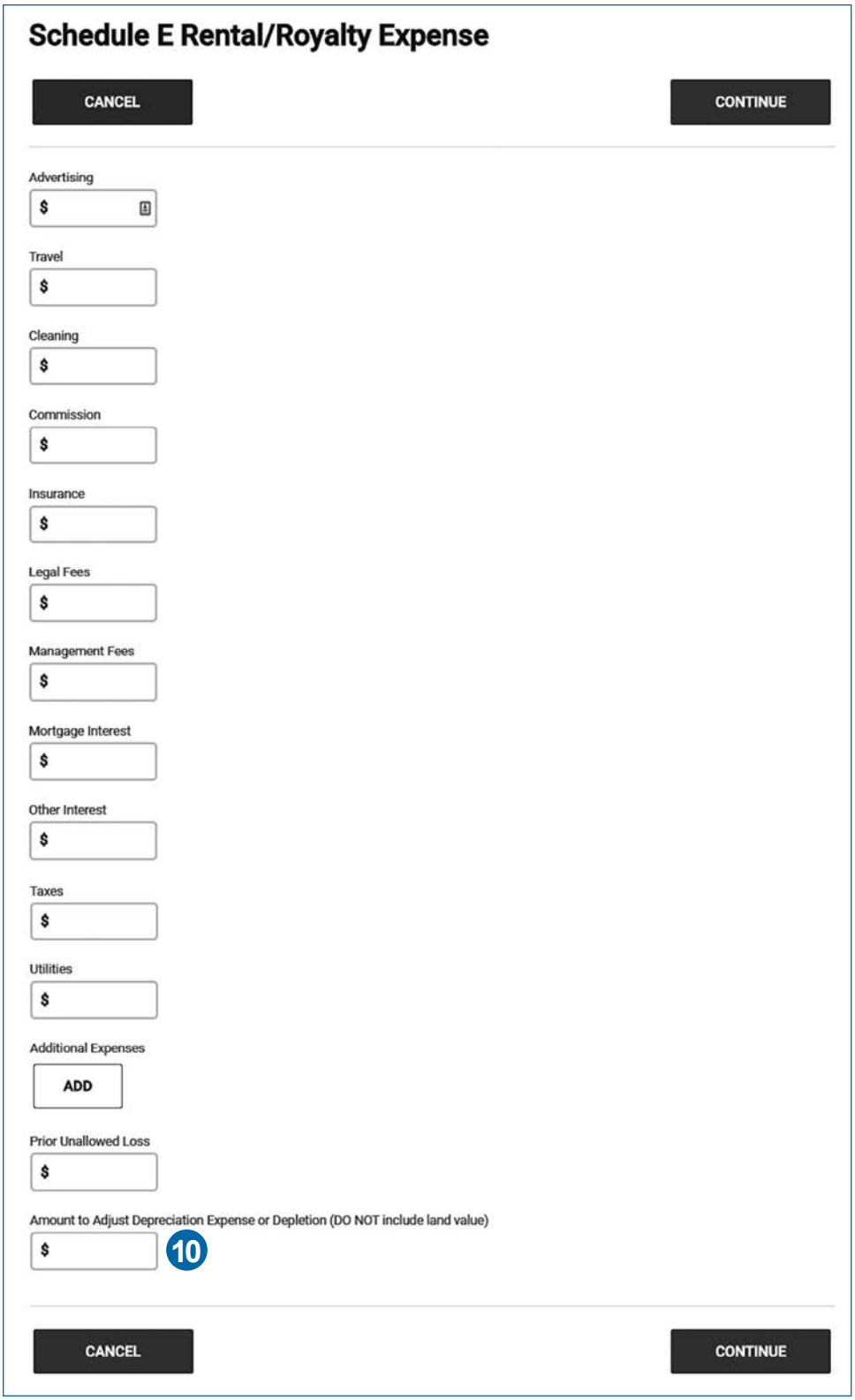
Ordinary and necessary expenses incurred while holding a property out for rent are deductible expenses. See **Publication 527**, Residential Rental Property, for details. Enter expenses on this screen.

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

If the property has both personal and rental use days, you must manually compute the portion of the expenses allowable on Schedule E and Schedule A. For example if the house was available for rent for six months, and you paid $4,000 for Mortgage Interest, you have to manually input $2,000 on the Mortgage Interest lines on both Schedule E and on Schedule A.

Return is Out of Scope for taxpayers who filed or need to file Form(s) 1099.

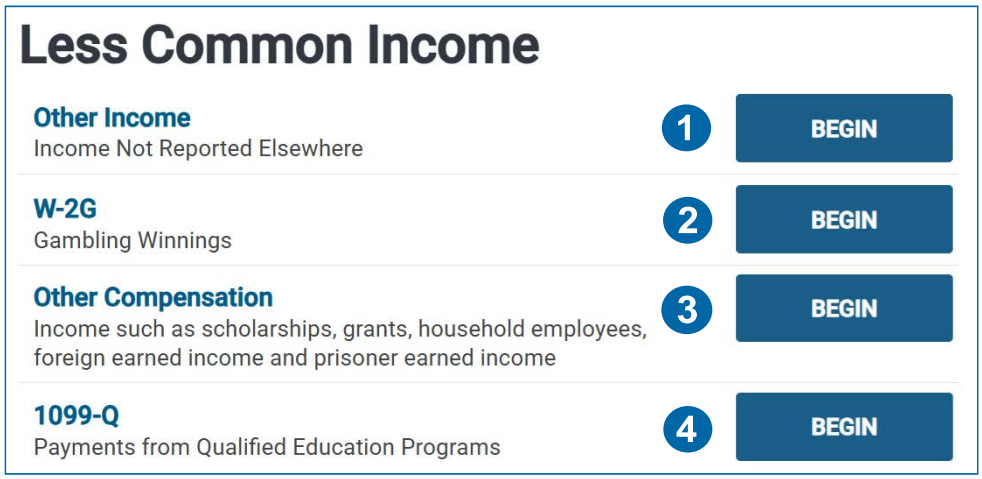
For land-only rentals, if rental income is reported on Form 1099-MISC, enter the 1099-MISC and attach it to Schedule E. Otherwise, go directly to Schedule E and enter amount as rental income. Tax-Aide scope does not allow associated expenses to be claimed on Schedule E, however allowable mortgage interest and taxes can be deducted on Schedule A.



Less Common Income

Income>Other Income

Detailed information for each income type found on subsequent pages.



Keyword: ELSE

Keyword: W2G

Keyword: OTHER C

For election / poll worker income, see page D-79.

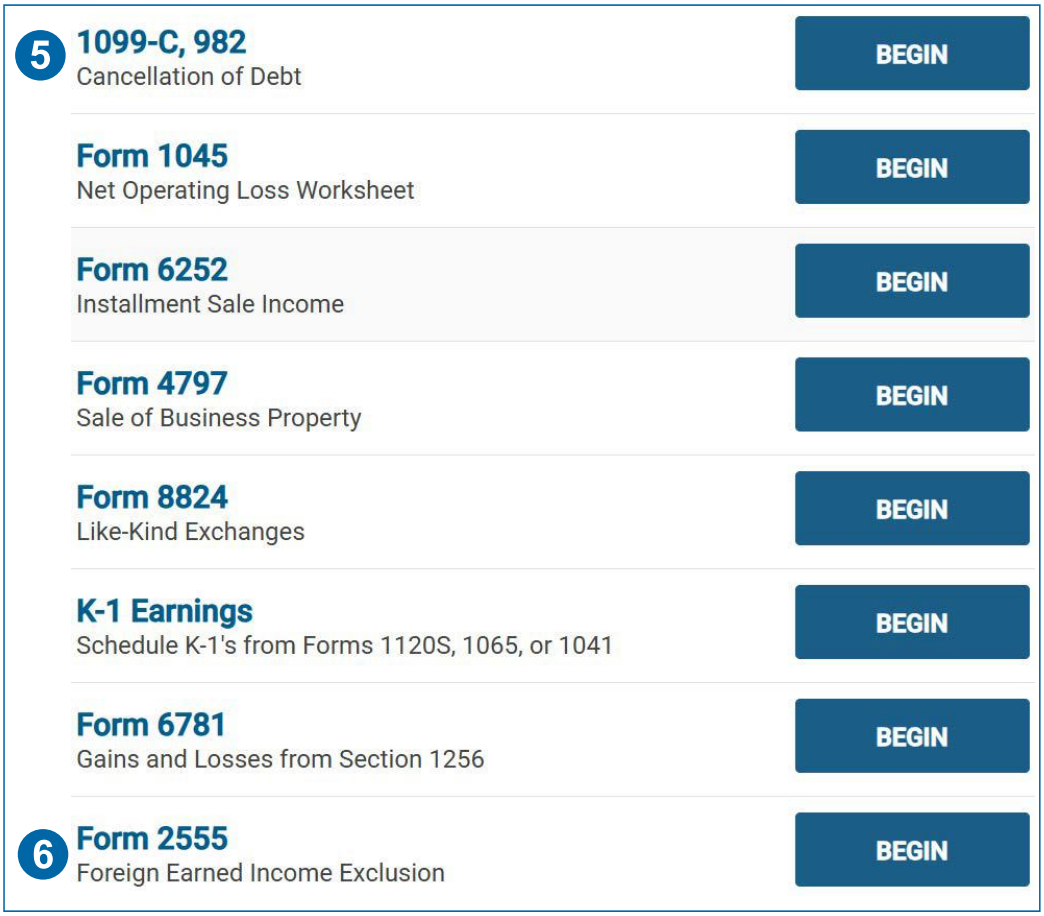
1. Use Other Income Not Reported Elsewhere and make the appropriate drop-down selection to enter:
   - (B) Alaska Permanent Fund Dividend
   - (B) Jury Duty Pay (Not earned income for EIC)
   - (B) Pension or annuity from a nonqualified deferred compensation plan or a nongovernmental §457 plan
   - (B) Prizes and Awards (non-gambling)
   - (B) Wages earned while incarcerated, but not reported on Form W-2 (goes to Schedule 1, Line 8u)
   - Other Income (for items not included in the drop-down list), for example:
     - (B) Form 1099-MISC Box 8 (Substitute payments in lieu of dividends or interest)
     - (B) Reemployment trade adjustment assistance (RTAA) payments from Form 1099-G, Box 5

   Several Other Income drop-down selections are Out of Scope; e.g., Activity not engaged in for profit income (hobby income), Rental Income—but not in the business of renting, etc.

2. (B) Gambling winnings are fully taxable and must be reported as income (see #6 on page D-82 if not reported on Form W-2G). Multiple Forms W-2G from the same payer can be aggregated into a single W-2G entry. Gambling losses and expenses incurred in gambling activities that are entered here (up to the amount of winnings) will flow to Schedule A, Itemized Deductions (Advanced Certification required).

3. See page D-82 for additional instructions for using the Other Compensation menu to report Other Gambling Income not reported on W-2G, taxable scholarships and grants, household employee income, prisoner earned income reported on a W-2, Medicaid Waiver Payments (Not Reported on W-2), and foreign compensation.

4. (B) Distributions from qualified education programs are tax free if they aren't more than the beneficiary's adjusted qualified education expenses for the year. Tax-free distributions are not reported on the tax return. See Highlights of Education Tax Benefits in Tab J for qualified expenses. Taxable distributions from Coverdell Education Savings Accounts (ESAs), Qualified Tuition Programs (QTPs)/529 or Achieving a Better Life Experience (ABLE) accounts are Out of Scope.



5. (A) Cancellation of Debt is in scope for nonbusiness credit card debt cancellation and discharge of qualified principal residence indebtedness. All other cancellation of debt reported on Forms 1099-C or 1099-A is Out of Scope. See page D-84.
6. (I) Foreign Earned Income Exclusion is in scope only for those with International certification: United States citizens and resident aliens who live and work abroad may be able to exclude all or part of their foreign salary or wages from their income when filing their U.S. federal tax return. They may also qualify to exclude compensation for their personal services or certain foreign housing costs. See **Publication 54**, Tax Guide for U.S. Citizens and Resident Aliens Abroad.

See Tab I, Earned Income Credit, Earned Income Table for examples of other income that may be earned income.

Qualified State or local tax benefits and up to $50 per month of qualified reimbursement payments provided to members of qualified volunteer emergency response organizations are excluded from income. However, amounts reported on Forms W-2 or 1099 are taxable.

(A) Form 1099-LTC, Long-Term Care Benefits:

Deductions>Adjustments>MA MSAs, Archer MSAs and Long-Term Care Insurance Contracts>scroll to Long Term Care (LTC) Insurance Contracts (Form 1099-LTC); or Keyword: 8853 or LTC

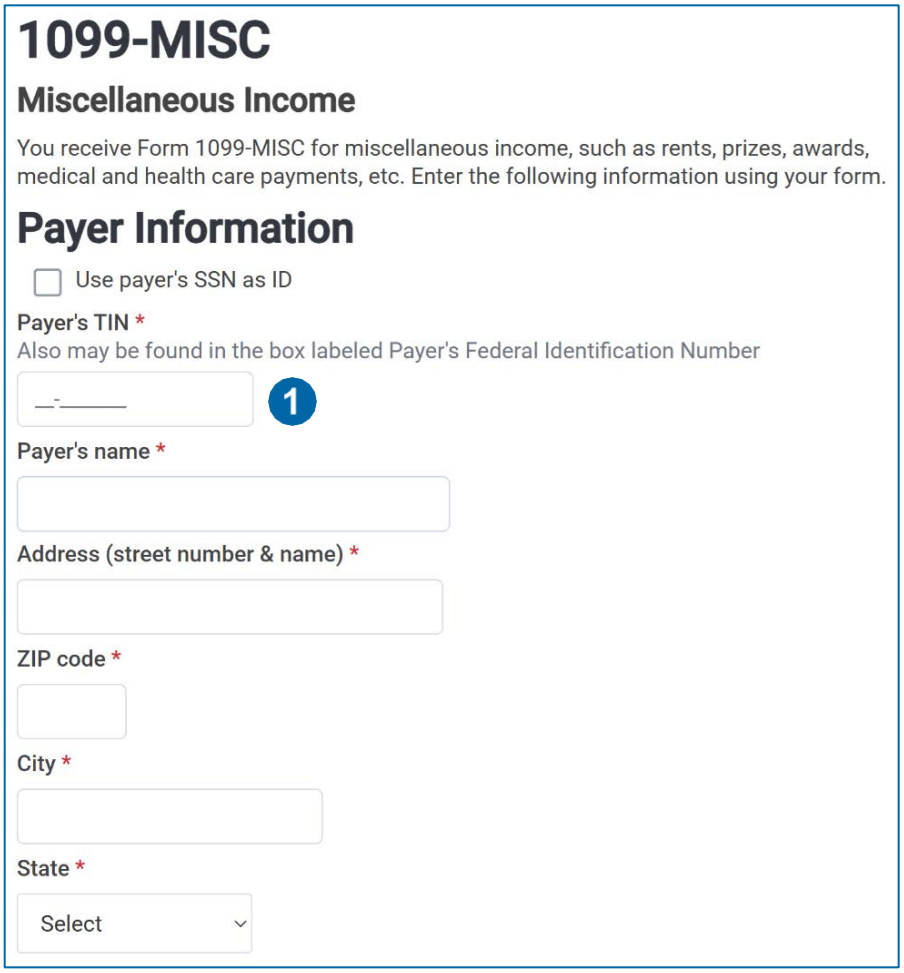
Answer the questions based on the information on Form 1099-LTC. Most payments will not be taxable.

- If Box 3 is checked for reimbursement, no reporting is necessary.
- If Box 3 is checked for per diem, benefits received are taxable if they exceed the greater of actual costs or $420 per day for 2025.

(B/A/M) Form 1099-MISC

Income>1099-MISC; or Keyword: MISC

Basic Certification for Box 3 other than self-employment (SE) income. Advanced Certification required for SE income in Boxes 1 or 2, land-only rental income in Box 1, or royalties in Box 2. Military Certification required for home rental income in Box 1.



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

1. The Payer Information relates to the entity that paid the taxpayer and issued the Form 1099-MISC. In most cases, the Federal ID will be an employer identification number, not an SSN.

(B) Election Worker Income

Election or poll worker compensation is considered earned income for federal tax purposes. If reported on **Form W-2**, simply enter it on the W-2 screen (see page D-8) and skip the rest of this section. Follow the instructions in the TaxSlayer tip below if this income is reported on:

- **Form 1099-NEC:** Do not enter on the 1099-NEC screen, as it would flow to Schedule C. Election worker income is not self-employment income and it is not subject to the self-employment (SE) tax.
- **Form 1099-MISC:** Do not enter on the 1099-MISC screen, as it would not be treated as earned income.
- **No tax form:** Do not enter as Other Income Not Reported Elsewhere, as it would not be treated as earned income that is not subject to the SE tax.

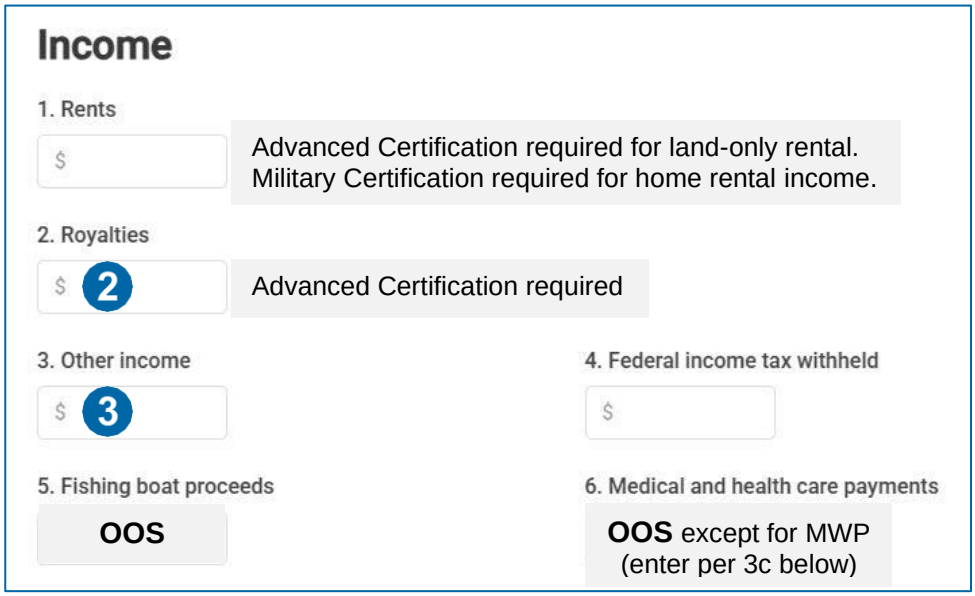
Workaround for election worker pay not reported on Form W-2 (i.e., reported on Form 1099-NEC, 1099-MISC, or no tax form):

i. Enter this compensation at *Income>Other Income>Other Compensation>Household Employee Income*. This will report this income as wages (earned income) on Form 1040, Line 1b.

ii. Create a preparer note at *Miscellaneous Forms>Explanations>Preparer Notes; or Keyword: Note*

- Title: "Form 1040 Line 1b"
- Note: "Election Worker Income from *(name of governmental payer)*"

Form 1099-MISC (cont'd)



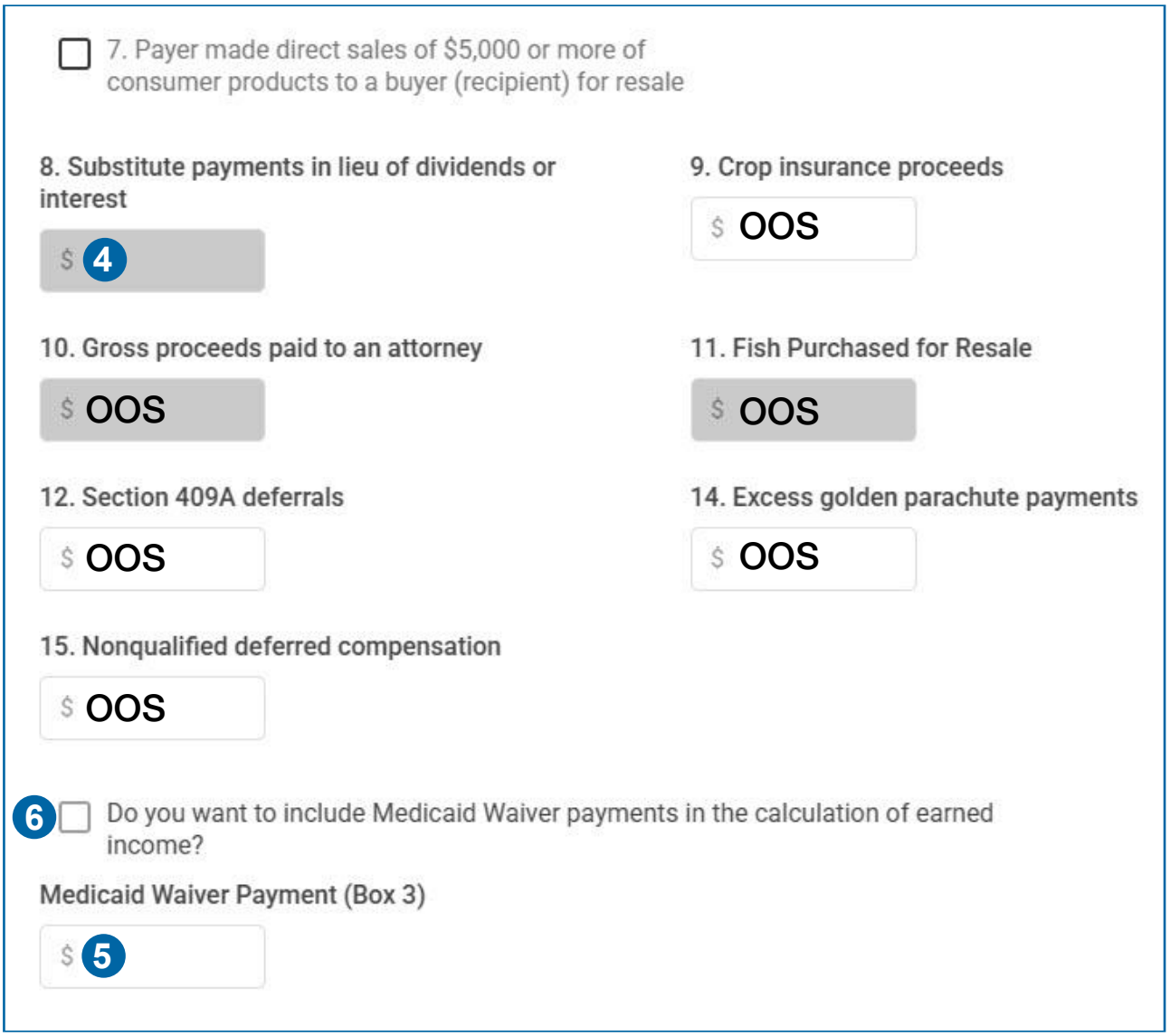
There is usually no income tax withholding on a Form 1099-MISC. But always double check to make sure.

Enter income reported on Form 1099-MISC using TaxSlayer's 1099-MISC, 1099-NEC, or Other Income screen, depending on the type of income received (see examples below). This will direct the income to the correct location, even if different from the paper 1099-MISC.

2. (A) Enter royalties reported in Form 1099-MISC, Box 2 based on what the royalties are for:
   a. **(A) Use of property**; e.g., from oil, gas, or mineral properties, etc.: Enter here as 1099-MISC, Box 2 Royalties to report it on Schedule E.
   b. **(A) Self-employed writers, inventors, performers, artists, etc.**: Do not enter on this screen. Instead enter these royalties in Form 1099-NEC Box 1 to report it on Schedule C. See page D-25. However, report inherited royalties from these works on Schedule E per 2a above.

3. (B/A) Enter Other Income reported in Form 1099-MISC, Box 3 based on what it is for:
   a. **(B) Gambling income**; e.g. a lottery prize such as a car, vacation, etc.: Enter in Other Income>Other Compensation>Other Gambling Income not reported on W-2G to report it on Schedule 1, Line 8b.
   b. **(B) Non-gambling prizes or awards**: Enter in Other Income>Other Income Not Reported Elsewhere (select Prizes and Awards) to report it on Schedule 1, Line 8i.
   c. **(B) Medicaid Waiver Payment (MWP) income**: Enter here as 1099-MISC, Box 3 and see #5 and #6 on the next page for additional instructions.
   d. **(B) Election / poll worker income**: See prior page.
   e. **(B) Strike benefits**: Enter as Other Compensation. See #7 on page D-82.
   f. **(B) Misc. other income** that is not self-employment; e.g., honorarium for speech where there is no continuing relationship or expectation of doing again, medical research study participant, certain incentive payments, etc.: Enter here as 1099-MISC, Box 3 to report it on Schedule 1, Line 8z.
   g. **(A) Self-employment**: Enter in Form 1099-NEC Box 1 to report it on Schedule C. See page D-25.
   h. **(B) Olympic and Paralympic medals and USOC prize money** received on account of participation in the Olympic or Paralympic Games: Enter in Other Income>Other Income Not Reported Elsewhere (select Olympic Medals) to report it on Schedule 1, Line 8m. The amount may be nontaxable – see page E-4 for details on reporting an adjustment.

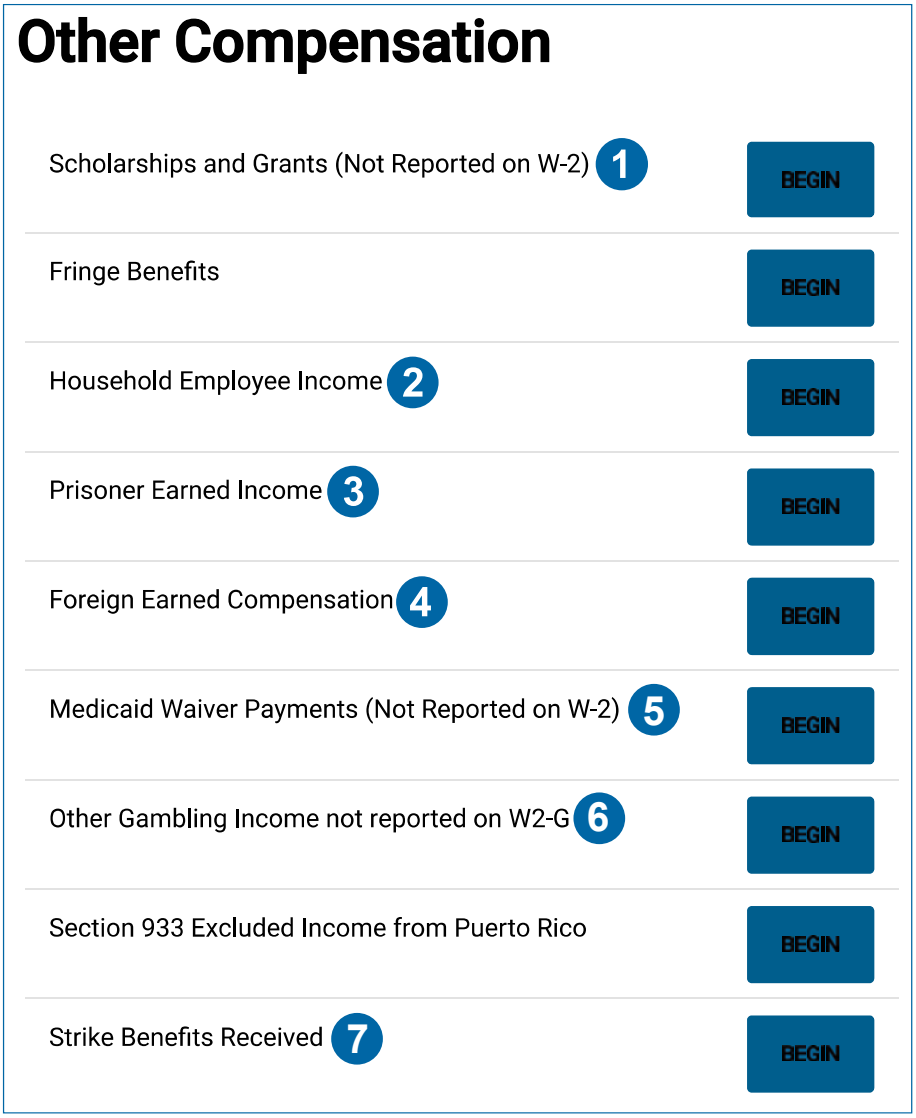
Form 1099-MISC (cont'd)



4. Report Box 8 amount as Other Income>Other Income Not Reported Elsewhere.
5. For a Medicaid waiver payment, also enter the amount here to exclude it from AGI via Schedule 1, Line 8s.
6. A taxpayer may choose to include Medicaid waiver payments in the calculation of earned income for the EIC and the ACTC even when excluded from AGI. Test to see if checking the box to include in earned income is advantageous for the taxpayer after completing all other parts of the return.

Entering Other Compensation

Income>Other Income>Other Compensation; or Keyword: OTHER C



1. (B) Scholarships and grants used to pay for tuition, fees and course-related expenses are not taxable. Use this link to report only amounts that were used for nonqualifying expenses. The amount will be reported on Form 1040, Schedule 1, line 8r. Taxable scholarship is considered unearned income for most purposes but is considered earned income for determining filing requirement.
2. (B) Enter wages received as a household employee for which the taxpayer did not receive a Form W-2 because the employer paid less than $2,800 in 2025. This income will be reported on Form 1040, line 1b.
3. (B) Enter the amount received for work while an inmate in a penal institution, in a work release program, or while in a halfway house and reported on a W-2. If not reported on a W-2, then see #1 on page D-77 instead.
   - Make this entry in addition to entering the Form W-2 to remove this income from earned income.
   - Wages earned while incarcerated are not considered earned income for purpose of the Earned Income Credit, and will be reported on Form 1040, Schedule 1, line 8u.
4. (I) Enter foreign earned income (wages, salaries, etc.) paid by a foreign employer for work performed while the taxpayer lived in a foreign country. This income will be reported on Form 1040, line 1h.
5. (B) For more information, see Entering Medicaid Waiver Payments on page D-13.
6. (B) Gambling income not reported on a Form W-2G entered here will be reported on Schedule 1, line 8b. Also use this screen to enter any gambling losses and expenses incurred in gambling activities that are not covered by Form W-2G reported winnings.
7. (B) Strike Benefits Received entered here will be reported on Form 1040, line 1h.

(A) If Rebate/Patronage Dividends issued by co-ops on Form 1099-PATR Box 1 are for personal use only, the amount is nontaxable and is not entered into TaxSlayer. Enter note on intake sheet and tax return noting it is for personal use only. No other box or use is in scope.

(A) Entering Cancellation of Debt

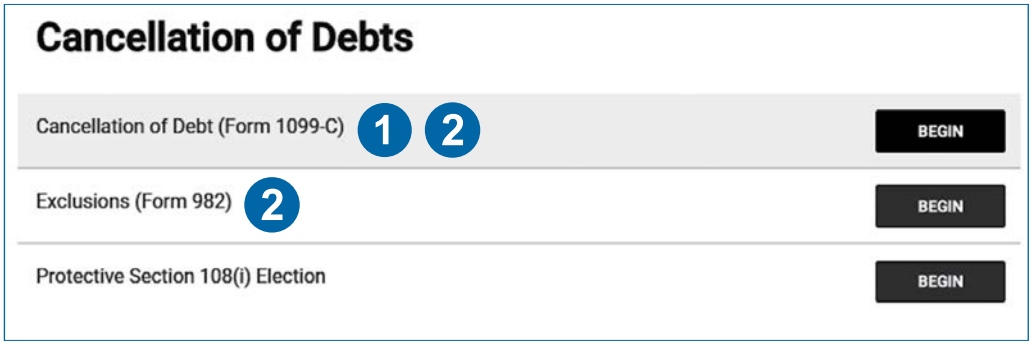
Income>Other Income>1099-C, 982 Cancellation of Debt>Cancellation of Debt (Form 1099-C); or Keyword CANC

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

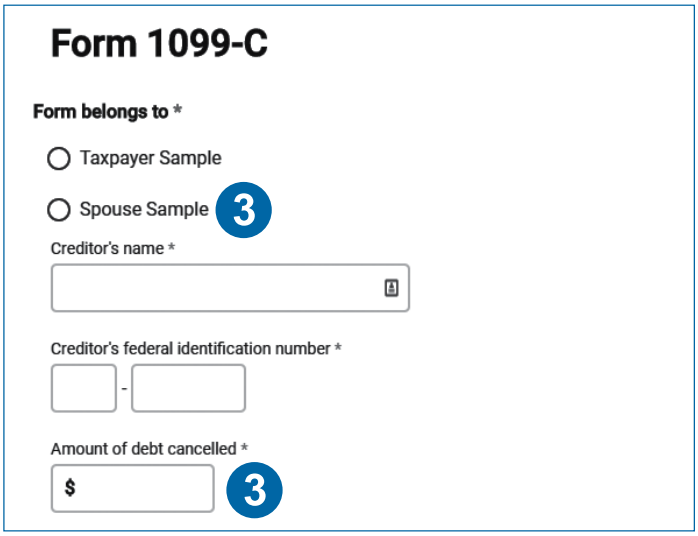
A Taxpayer who is a guarantor or surety is not the debtor for purposes of the cancellation of debt and is not responsible for reporting the forgiven income. If a 1099-C is issued, the taxpayer should contact the issuer for a corrected statement.

Be sure to ask if the taxpayer was insolvent or in bankruptcy. The return is Out of Scope if the taxpayer had credit card debt canceled as part of a bankruptcy discharged during the tax year, the taxpayer has subsequently filed bankruptcy, or the taxpayer was insolvent during the tax year.

1. For cancellation of credit card debt, use the screening sheet (Publication 4731) on the next page to confirm if the return is in scope. If it is in scope, then enter the Form 1099-C in TaxSlayer (see below).



2. If the Form 1099-C was for mortgage forgiveness on the taxpayer's main home, see page D-86 for instructions, including determining if the return is in scope. For in scope discharge of qualified principal residence indebtedness you will need to complete both the Form 1099-C and the Form 982 screens in TaxSlayer.
3. Enter the information from the Form 1099-C. Be sure to indicate whether the canceled debt was for the taxpayer or the spouse.



Student Loan Debt Forgiveness

The American Rescue Plan Act of 2021 excludes from gross income amounts related to the discharge of certain student loan debt in 2021 through 2025, applicable to discharges of loans after December 31, 2020. If the taxpayer qualifies to exclude discharged student loan debt, the return is in scope. If the taxpayer has any other type of debt forgiven, or may have been insolvent at the time of the debt forgiveness, the taxpayer should be referred to a professional tax preparer. If discharge of student debt qualifies for exclusion, then no Form 1099-C should be issued. If issued, and taxpayer meets the requirements noted above, the taxpayer should try to obtain a corrected document. If unable, input as Income>Less Common Income> Cancellation of Debt (Form 1099-C) and again in Deductions > Adjustments > Other Adjustments > Other Adjustments Not Listed Above with the description of "Student Loan Forgiveness." For more information see **Publication 970**, Tax Benefits for Education.

Publication 4731
Screening Sheet for Nonbusiness Credit Card Debt Cancellation

Ask if the taxpayer was insolvent or in bankruptcy. The return is Out of Scope if the taxpayer had credit card debt canceled as part of a bankruptcy discharged during the tax year, or the taxpayer was insolvent during the tax year.

Instructions: Use this Screening Sheet for taxpayers with Form 1099-C or other documentation resulting from cancellation of nonbusiness credit card debt and to assist in identifying taxpayers with cancellation of credit card debt issues.

Credit Card Debt

1. Did the taxpayer receive Form 1099-C, Cancellation of Debt, or other documentation (if less than $600) from a creditor and is the information shown on the form or document correct?

☐ **Yes** – Go to Step 2
☐ **No** – Go to Step 6

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

2. Was the credit card debt related to a business?

☐ **Yes** – Go to Step 6
☐ **No** – Go to Step 3

3. Does box 6 of the Form 1099-C indicate Code A for bankruptcy?

☐ **Yes** – Go to Step 6
☐ **No** – Go to Step 4

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

4. Was the taxpayer insolvent* immediately before the cancellation of debt?

☐ **Yes** – Go to Step 6
☐ **No** – Go to Step 5

The taxpayer may use the Insolvency Determination Worksheet on the next page to determine if they were insolvent immediately before the cancellation of debt (determining insolvency is Out of Scope for the volunteer, refer them to a professional preparer if they need assistance with this worksheet).

5. The cancellation of nonbusiness indebtedness or cancellation of debt (the amount in box 2 of Form 1099-C or an amount less than $600 provided in other documentation) must be reported as ordinary income on Form 1040, Schedule 1 (Other Income). No additional supporting forms or schedules are required for reporting income from canceled credit card debt. Do **not** go to Step 6.

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

Refer the taxpayer to:

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

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

Publication 4731 (Rev. 10-2024) Catalog Number 52643X Department of the Treasury **Internal Revenue Service** www.irs.gov

Insolvency Determination Worksheet

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

Insolvency Determination Worksheet

Assets (FMV)		Liabilities	
Homes	$	Mortgages	$
Cars		Home equity loans	
Recreational vehicles, etc.		Vehicle loans	
Bank accounts		Personal signature loans	
IRAs, 401Ks, etc.		Credit card debts	
Jewelry		Past-due mortgage interest, real estate taxes, utilities, and child care costs	
Furniture			
Clothes			
Misc.		Student loans	
Other assets		Other liabilities	
Total Assets:	$	Total Liabilities:	$

Total Assets minus Total Liabilities = $
(Negative amount equals insolvency)

Positive amount equals solvency

(A) Discharge of Qualified Principal Residence Indebtedness

⚠ This provision has been renewed through tax year 2025. Use these instructions and for additional information see Tax-Aide's **NTTC 4491**, *Income - Other Income* lesson, *Cancellation of Debt (COD) – Principal Residence* section.

Use the job aid on the following page to determine if the debt forgiveness on the main home is within scope.

Taxpayers may exclude from income certain debt forgiven or canceled debt on their principal residence. This exclusion is applicable to the discharge of "qualified principal residence indebtedness." If the canceled debt qualifies for exclusion from gross income, the debtor may be required to reduce tax attributes (certain credits, losses, and basis of assets) by the amount excluded.

If a property was taken by the lender (foreclosure) or given up by the borrower (abandonment), the lender usually sends the taxpayer **Form 1099-A**, Acquisition or Abandonment of Secured Property. Form 1099-A will have information needed to determine the gain or loss due to the foreclosure or abandonment. See Foreclosure and Abandonment Key Highlights on page D-91.

- If the debt is canceled, the taxpayer will receive **Form 1099-C**, Cancellation of Debt. If foreclosure/abandonment and debt cancellation occur in the same calendar year, the lender may issue only Form 1099-C, including the information that would be reported on Form 1099-A.

Volunteers may assist taxpayers with the discharge of qualified principal residence indebtedness if the following requirements are met (otherwise the return is Out of Scope):

- The home was never used in a business or as rental property
- The debt was not canceled because the taxpayer filed bankruptcy (Form 1099-C, Box 6, Code A)
- The taxpayer isn't in bankruptcy when he/she comes to the site for assistance
- Form 1099-C doesn't include an amount for interest in Box 3
- The debt must be a mortgage used only to buy, build, or substantially improve the taxpayer's primary residence, i.e., this money was not used to pay off credit cards, medical/dental expenses, vacations, etc.
- The mortgage was secured by the taxpayer's primary residence
- The mortgage was not more than $750,000 ($375,000 if Married Filing Separately).

N **To report cancellation of debt from Form 1099-C:** Income>Other Income>1099-C, 982>Cancellation of Debt (Form 1099-C); or Keyword CANC

N **To exclude debt forgiven on principal residence using Form 982:** Income>Other Income>1099-C, 982>Exclusions - (Form 982); or Keyword: 982

N **To report the gain or loss from Form 1099-A:** See page D-46, Capital Gains or Losses – Sale of Main Home for information on how to enter income.

Publication 4731-A
Screening Sheet for Foreclosures/Abandonments and Cancellation of Mortgage Debt

If the taxpayer is in bankruptcy and has a discharge of qualified principal residence indebtedness, the tax return is Out of Scope.

Instructions: Use this Screening Sheet to assist taxpayers with Form(s) 1099-A and/or 1099-C with cancellation of debt issues.

- Use Part I for taxpayers with only Form 1099-A for a foreclosure or abandonment of their principal residence.
- Use Part II for taxpayers with Form 1099-C, or both Forms 1099-A and 1099-C resulting from cancellation of debt on a home mortgage loan.
- Use **Publication 4731**, Screening Sheet for Nonbusiness Credit Card Debt Cancellation, for taxpayers with Form 1099-C resulting from cancellation of credit card debt. See page D-84.

Part I – Home Mortgage Loan

1. Did the taxpayer receive Form 1099-A, Acquisition or Abandonment of Secured Property, from their home mortgage lender?

☐ **Yes** – Go to Step 2
☐ **No** – Advise the taxpayer to get the documentation from the home mortgage lender.

2. Did the taxpayer ever use the home in a trade or business or as rental property?

☐ **Yes** – Go to Step 6
☐ **No** – Go to Step 3

3. Is Box 5 of Form 1099-A checked indicating a recourse loan in which the taxpayer is personally liable?

☐ **Yes** – The sales price is the lesser of Box 2 (Balance of principal outstanding) or Box 4 (Fair market value of property) on Form 1099-A, plus any proceeds the taxpayer received from the foreclosure sale.
☐ **No** – The sales price is the amount in Box 2 (Balance of principal outstanding) on Form 1099-A, plus any proceeds the taxpayer received from the foreclosure sale. The taxpayer is not personally liable (nonrecourse loan).

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

5. Report the sale of the personal residence on Form 8949, Sales and Other Disposition of Capital Assets, and Schedule D, Capital Gains and Losses.
   If the disposition of the property results in a:
   Gain – The taxpayer may qualify for the Section 121 exclusion ($250,000 or $500,000 if Married Filing Jointly) of the gain on the sale of a principal residence, if all requirements are met.
   Loss – The taxpayer cannot claim a loss on the sale or disposition of a principal residence. Use adjustment Code L on Form 8949 to exclude this loss.
   See Foreclosure and Abandonment Key Highlights on page D-91 for further information. Do not go to Step 6.

6. These tax issues are outside the scope of the volunteer program.

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

   Additional Resources:
   - **Publication 523**, Selling your Home
   - **Publication 525**, Taxable and Nontaxable Income
   - **Publication 4681**, Canceled Debts, Foreclosures, Repossessions, and Abandonments
   - Form 982, Reduction of Tax Attributes Due to Discharge of Indebtedness (and Section 1082 Basis Adjustment) and Instructions

Publication 4731-A (Rev. 10-2024) Catalog Number 67470W Department of the Treasury **Internal Revenue Service** www.irs.gov

Screening Sheet for Foreclosures/Abandonments and Cancellation of Mortgage Debt (Page 2)

Part II – Home Mortgage Loan

1. Did the taxpayer receive Form 1099-C, Cancellation of Debt, from their home mortgage lender and is the information shown on the form correct?

☐ **Yes** – Go to Step 2
☐ **No** – Go to Step 6

Note: Answer "yes" if the taxpayer has received a Form 1099-A and Form 1099-C.

2. Did the taxpayer ever use the home in a trade or business or as rental property?

☐ **Yes** – Go to Step 6
☐ **No** – Go to Step 3

3. Does Box 3 of Form 1099-C show any interest or does box 6 show code A indicating bankruptcy?

☐ **Yes** – Go to Step 6
☐ **No** – Go to Step 4

Note: If Box 6 is not marked with code A but the taxpayer has subsequently filed bankruptcy, answer "yes."

4. Ask the following questions to determine if the discharged debt is "qualified principal residence indebtedness:"

   a. Was the mortgage taken out to buy, build, or substantially improve the taxpayer's principal residence? (**Note:** A principal residence is generally the home where the taxpayer lives most of the time. A taxpayer can have only one principal residence at any one time.)

   ☐ **Yes** – Go to Step 4b
   ☐ **No** – Go to Step 6

   b. Was the mortgage secured by the taxpayer's principal residence?

   ☐ **Yes** – Go to Step 4c
   ☐ **No** – Go to Step 6

   c. Was any part of the mortgage used to pay off credit cards, purchase a car, pay for tuition, pay for a vacation, pay medical/dental expenses, or used for any other purpose other than to buy, build, or substantially improve the principal residence?

   ☐ **Yes** – Go to Step 6
   ☐ **No** – Go to Step 4d

   d. Was the mortgage amount more than $750,000 ($375,000 if Married Filing Separately)?

   ☐ **Yes** – Go to Step 6
   ☐ **No** – Go to Step 5

5. The discharged debt is "qualified principal residence indebtedness."

   The volunteer should complete the TaxSlayer screens for Form 1099-C (see page D-83) and Form 982 (see next page), and file it with the taxpayer's return. If the residence was disposed of, the taxpayer also may be required to report the disposition (sale) on Form 8949 and Schedule D (see page D-46). Do **not** go to Step 6.

6. These tax issues are outside the scope of the volunteer program. The taxpayer may qualify to exclude all or some of the discharged debt. However, the rules involved in the mortgage debt relief exclusions are complex.

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

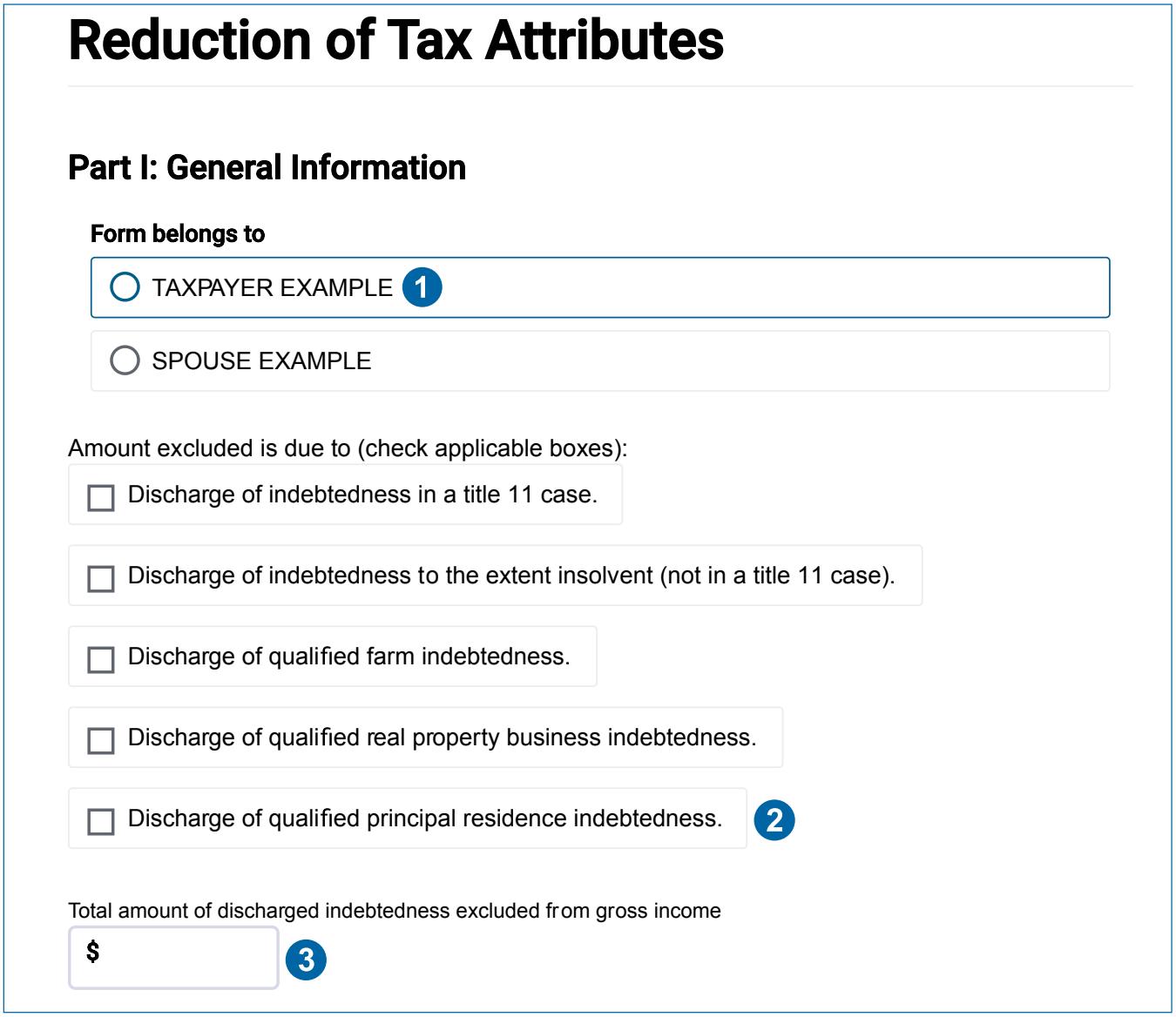
   Additional Resources:
   - **Publication 523**, Selling your Home
   - **Publication 525**, Taxable and Nontaxable Income
   - **Publication 4681**, Canceled Debts, Foreclosures, Repossessions, and Abandonments
   - Form 982, Reduction of Tax Attributes Due to Discharge of Indebtedness (and Section 1082 Basis Adjustment) and Instructions

(A) Entering Forgiveness of Qualified Principal Residence Indebtedness

Income>Other Income>1099-C, 982>Exclusions - (Form 982); or Keyword: 982

Use the job aid on the preceding two pages to determine if the debt forgiveness on the main home is within scope.

The cancellation of debt must be entered in the Form 1099-C screen in TaxSlayer (see page D-83, Entering Cancellation of Debt). Also, **Form 982**, Reduction of Tax Attributes Due to Discharge of Indebtedness, must be filed with the taxpayer's return to report the excluded amount of discharged indebtedness and the reduction of certain tax attributes. Following are instructions for completing the Form 982 screens in TaxSlayer:



1. Indicate whether the Form 1099-C was issued to the taxpayer or spouse.
2. Check the box for Discharge of qualified principal residence indebtedness
3. Enter the amount of primary mortgage debt canceled (Form 1099-C, Box 2)

Part II: Reduction of Tax Attributes

Enter amount excluded from gross income:
ischarge of qualifed real property business indebtedness

$

Elect under section 108(b)(5) to reduce basis. (If you enter anything here, you must write an explanation below)

$

Any net operating loss

$

Any general business credit

$

Any minimum tax credit carryover

$

Any net capital loss

$

Basis of nondepreciable and depreciable property (line 10a)

$

Basis of your principal residence (line 10b)

$ 4

Farm depreciable property used or held for use in business

$

4. If the taxpayer had a portion of the mortgage debt canceled but kept the home (loan modification or mortgage workout), the basis of the principal residence is reduced as follows:
   - In Part II, Reduction of Tax Attributes, on the line for “Basis of your principal residence” (line 10b) enter the smaller of:
     - The amount entered in Part I (see prior page)
     - The basis of your primary residence.

(A) Foreclosure and Abandonment Key Highlights

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

- No entry is made in Part II, Reduction of Tax Attributes
- Report the gain or loss from Form 1099-A in the Schedule D, Capital Gains section
  - The basis is the taxpayer's adjusted basis in the home
  - The sale price (amount realized) is based on whether the taxpayer is personally liable (recourse loan) or not personally liable (nonrecourse loan) for the debt:
    - If the taxpayer is personally liable, the sale price is the lesser of the balance of the principal mortgage debt outstanding (Form 1099-A, Box 2) or the fair market value (Form 1099-A, Box 4).
    - If the taxpayer isn't personally liable, then the sale price is the full amount of the outstanding debt, as reflected on Form 1099-A, Box 2.
    - For both recourse and nonrecourse loans, add any proceeds the taxpayer received from the foreclosure sale to the amount realized.
  - If the taxpayer ends up with a gain on the sale, some or all of the gain can be excluded under the rules for sale of main home, if the taxpayer qualifies. See page D-46.
    - A loss on the main home can't be deducted. See page D-50.



If foreclosure/abandonment and debt cancellation occur in the same calendar year, the lender may issue only Form 1099-C, including the information that would be reported on Form 1099-A. In that case:

- Use Box 2 of Form 1099-C in place of Box 2 of Form 1099-A
- Use Box 7 of Form 1099-C in place of Box 4 of Form 1099-A

(I) Entering Foreign Earned Income Exclusion

Income>Other Income>Foreign Earned Income Exclusion; or Keyword “2555”

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

U.S. citizens and U.S. resident aliens are required to report worldwide income on a U.S. tax return.

However, certain taxpayers can exclude income earned while living in foreign countries.

To claim the foreign earned income exclusion, taxpayers must:

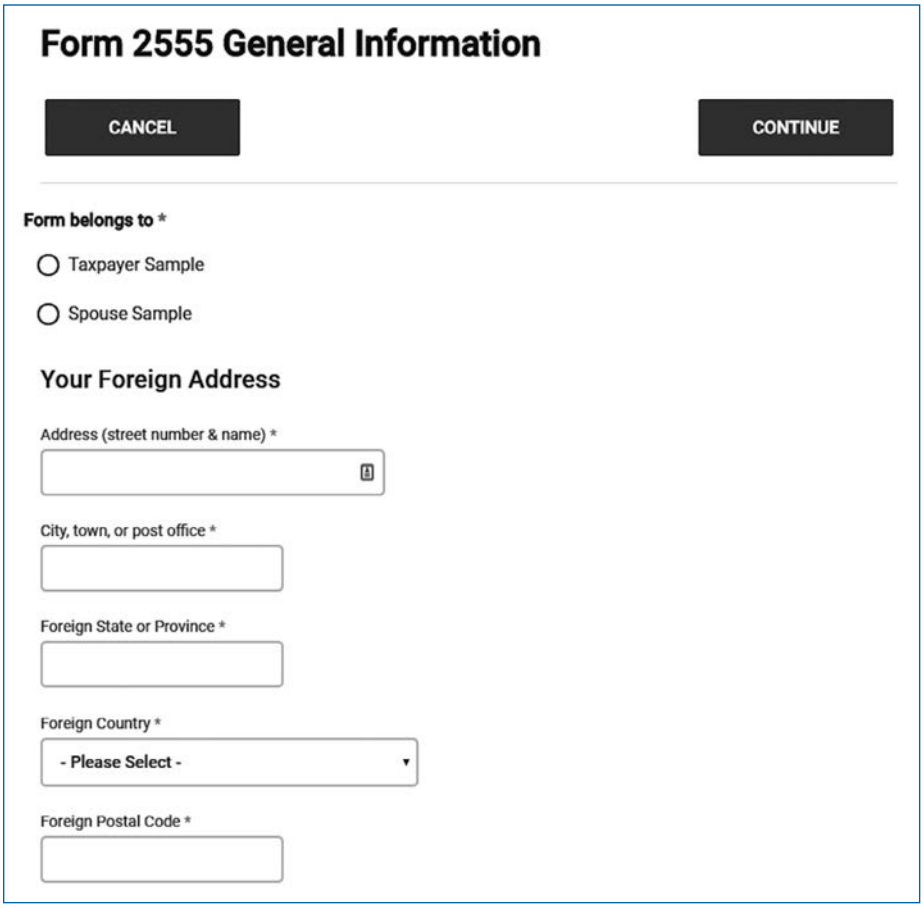
- Demonstrate that their tax home is in a foreign country
- Meet either the Bona Fide Residence Test or the Physical Presence Test
- Have income that qualifies as foreign earned income (reported on Form 1040 as taxable wages or as self-employment income)

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

For 2025, the maximum foreign earned income exclusion is $130,000. For MFJ returns, both spouses can claim the exclusion up to the maximum amount per person.

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

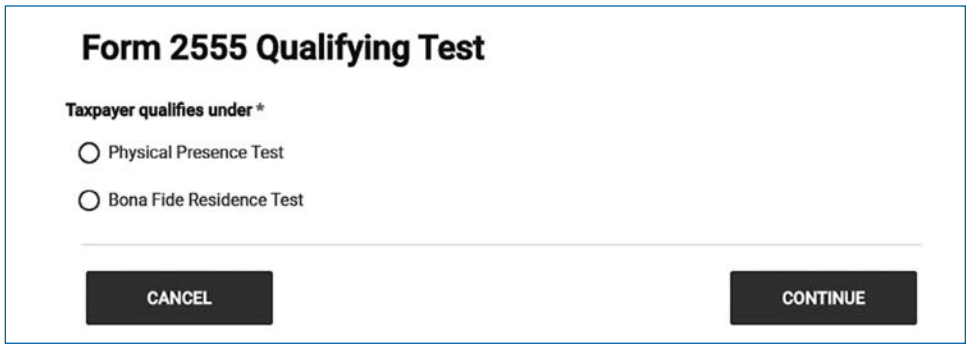
The taxpayer’s tax home is the taxpayer’s regular or principal place of business, employment, or post of duty, regardless of where the taxpayer maintains a family residence. A taxpayer may have more than one tax home during the year.

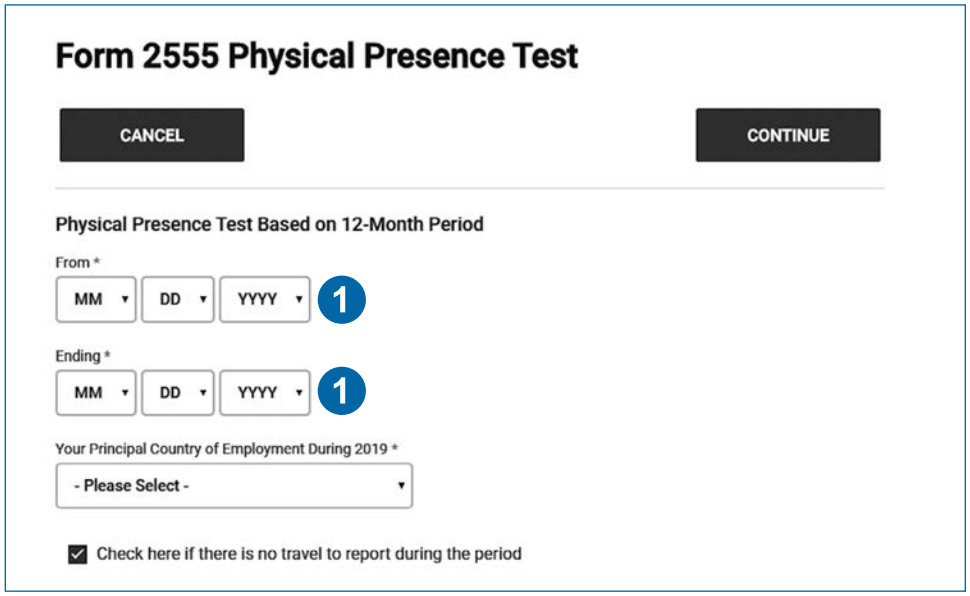


Entering Foreign Earned Income Exclusion (cont'd)

To meet the period of stay requirement, the taxpayer must be either:

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





1. The 12-month period on which the physical presence test is based must include 365 days, part of which must be in 2025. The dates may begin or end in a calendar year other than 2025.

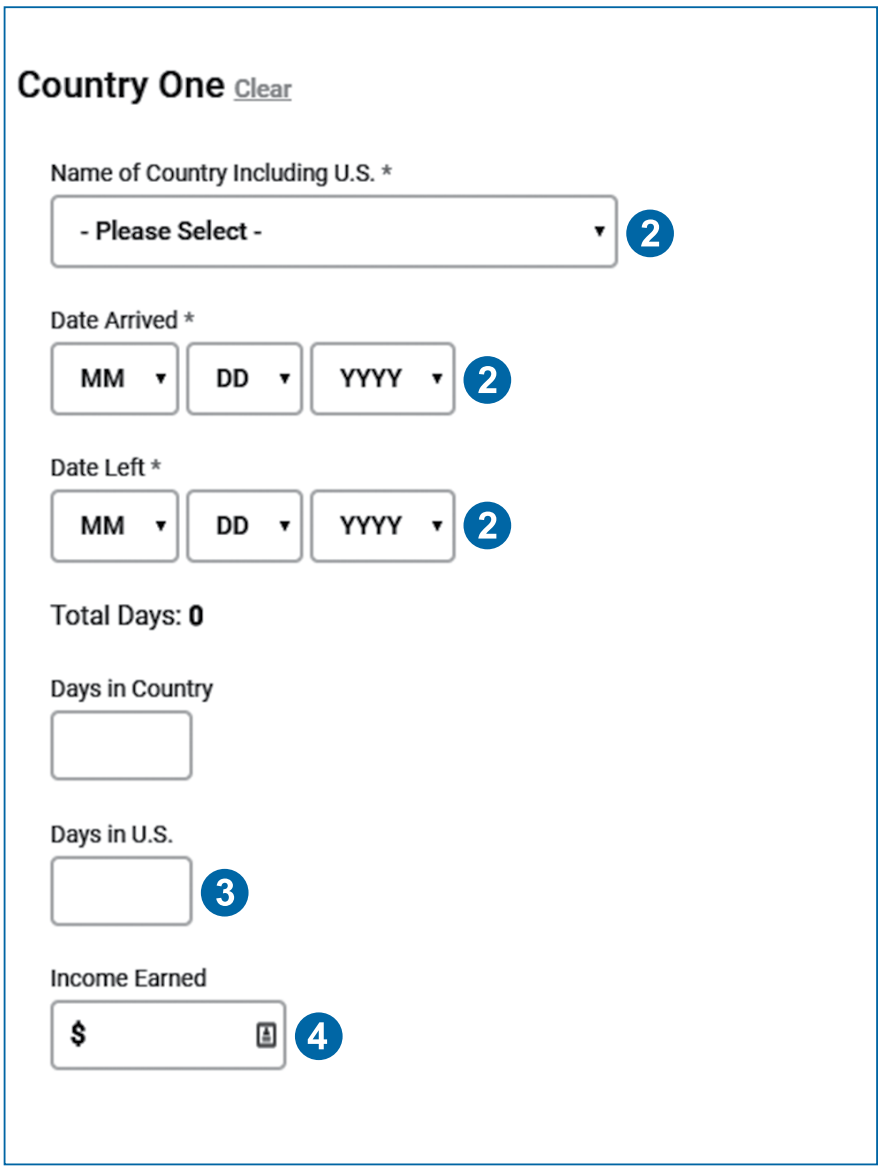
   To figure 330 full days, add all separate periods the taxpayer was present in a foreign country or countries during the 12-month period.

Waiver of minimum time requirements (for physical presence and bona fide residence tests): The taxpayer must leave the country because of war, civil unrest, or similar adverse conditions.

Entering Foreign Earned Income Exclusion (cont'd)

2. If the taxpayer left the principal country of residence during the tax year, enter the information requested for each additional country he or she visited.

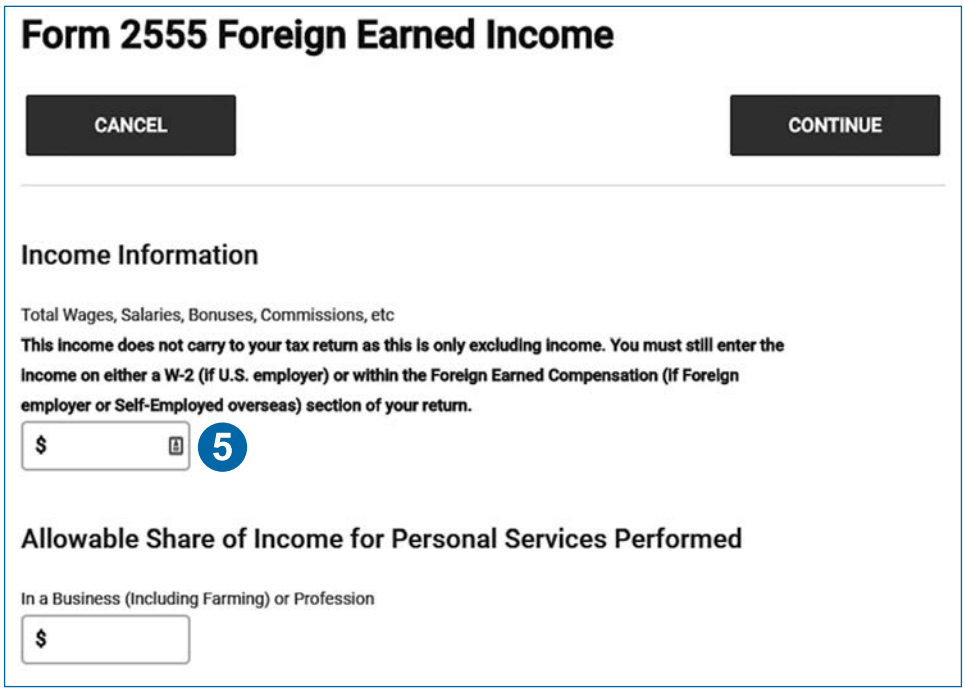
   If more than one additional country was visited, select **Add Country**. Select **Clear** if the taxpayer did not visit any other countries during their time abroad.
3. Days in the United States are entered in a separate field.
4. If no money was earned in the country to which the taxpayer traveled, enter $0.



Bona Fide Residence Test

- To meet the bona fide residence test, taxpayers must show that they have set up permanent quarters in a foreign country for an entire, uninterrupted tax year. Simply going to another country to work for a year or more isn't enough to meet the bona fide residence test. A taxpayer must establish a residence in the foreign country.
- If the taxpayer was present in the United States or its possessions during the tax year, enter the information for each trip.
  - To add another trip, Select **Add New**
  - If the taxpayer did not visit the U.S. or its possessions during the year, select Clear to remove this item
- Don't include income earned while in the United States in the amount of foreign earned income to be excluded (next page).
- A brief trip to the U.S. will not prevent the taxpayer from being a bona fide resident, as long as the intention to return to the foreign country is clear.

Entering Foreign Earned Income Exclusion (cont'd)





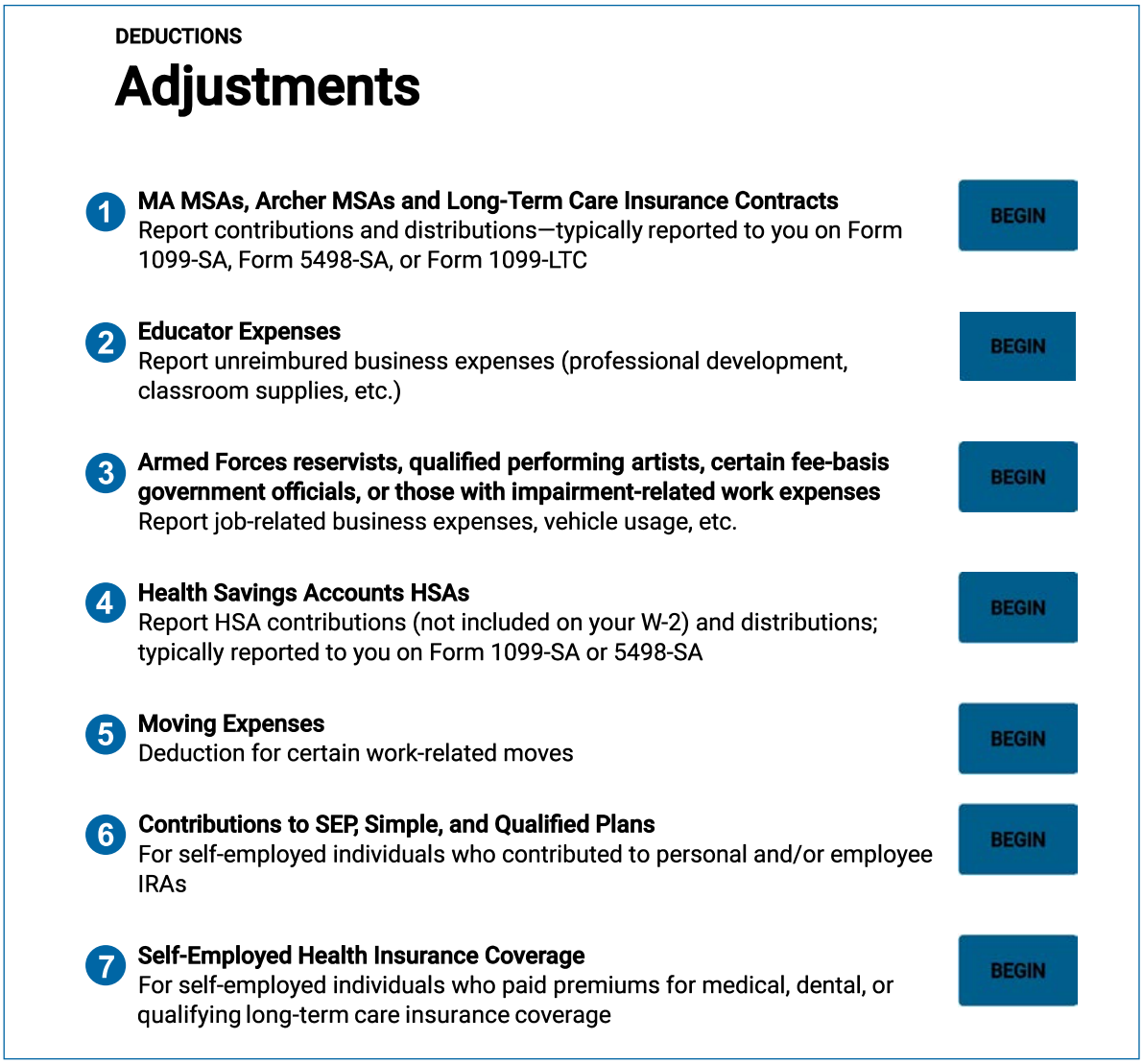
5. Enter the income the taxpayer earned during the tax year for services performed in a foreign country. This income should already have been entered on the tax return as wages, foreign compensation, or net self-employment income.

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

6. Enter the number of days in your qualifying period that fall within the 2025 tax year. Your qualifying period is the period during which you meet the tax home test and either the Bona Fide Residence or the Physical Presence Test.

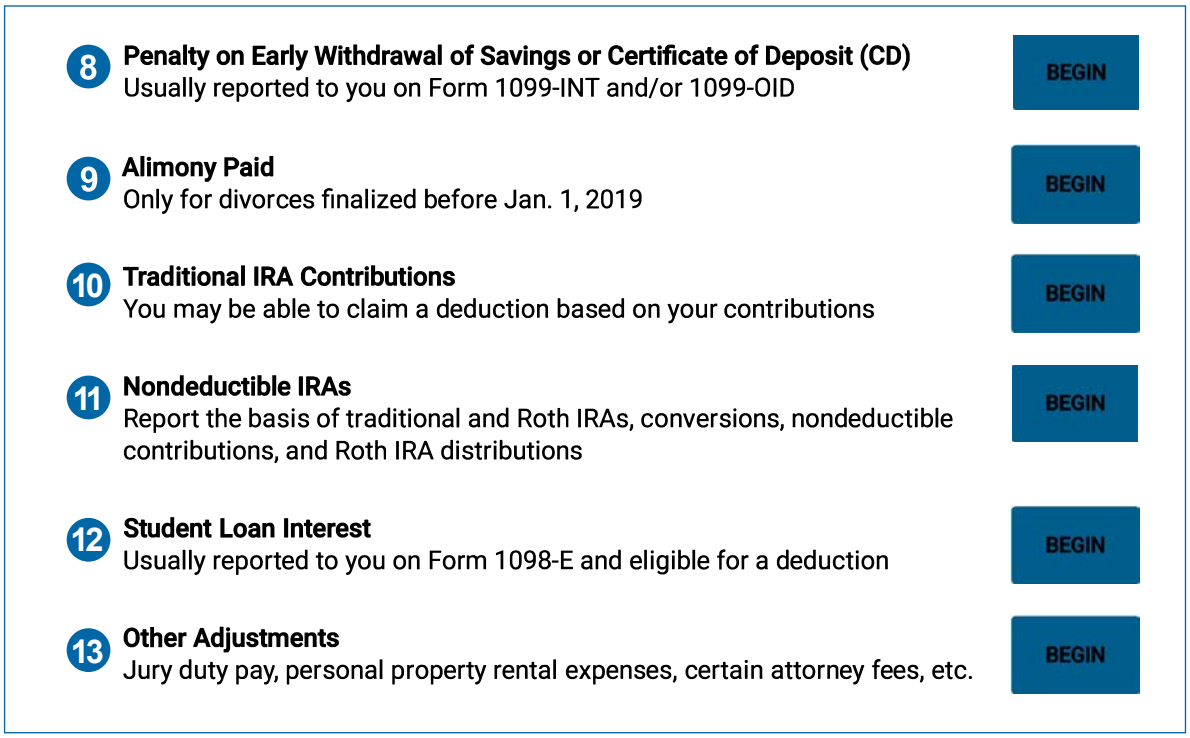
Tab E: Adjustments to Income

Deductions>Adjustments



1. (A) In Scope only for Form 1099-LTC, Long-Term Care (LTC) Insurance Contracts (see page D-78). MSAs are Out of Scope.
2. (B) See Educator Expenses on page E-8.
3. (M) See Employee Business Expenses on page E-5.
4. (A) Health Savings Account – select to open Form 8889, Health Savings Accounts. See page E-10.
5. (M) Moving expenses apply to active duty military only. Check the box near the top of the form to indicate an Armed Forces Permanent Change of Station (PCS) move. See page E-6.
6. (OOS) Adjustments to income for contributions to Self-employed SEP, SIMPLE, and Qualified Plans are Out of Scope.
7. (A) Self-employed health insurance deduction is in scope. Do not enter from this screen. See Schedule C – General Expenses on page D-32 for details.

Adjustments to Income (cont'd)



8. (B) Do not enter early withdrawal penalty amounts already entered on the Form 1099-INT screen. TaxSlayer automatically carries those entries to Schedule 1.
9. (B) If the taxpayer paid alimony to more than one person, add a second payee after entering the first. See Alimony Requirements on page E-14 for post-2018 divorces.
10. (A) Taxpayers have until the tax filing deadline (not including extensions) to make traditional IRA contributions. See page E-15.
11. (B/A) Form 8606, Nondeductible IRAs, is in scope for Parts I and II and requires Advanced and Basic Certifications, respectively. See page D-56. Part III is Out of Scope.
12. (B)Taxpayers may deduct up to $2,500 in student loan interest they paid. See Student Loan Interest Deduction at a Glance on page E-17.
13. Select **Other Adjustments** for:
    - (B) Jury duty pay (Schedule 1, line 24a) turned over to employer.
    - (B) Olympic medal (Schedule 1, line 24c). If your adjusted gross income is not more than $1,000,000 ($500,000 if married filing separately), the value of Olympic and Paralympic medals and USOC prize money reported on Schedule 1, line 8m, is nontaxable (see page D-80). Enter the nontaxable amount here as an adjustment.
    - (B) Other adjustments not listed above (Schedule 1, line 24z). Enter Description and Amount to report a miscellaneous adjustment to income. Combine multiple adjustments into a single entry with their total entered in Amount.

(M) Employee Business Expenses

Deductions>Adjustments>Armed Forces reservists, qualified …; or Keyword: 2106

After going to the above navigation, a Yes/No eligibility question will be asked before the screen shown here is presented.

Form 2106, Employee Business Expenses, is in scope with Military certification only for:

- Reservist expenses
- U.S. Armed Forces members provided a commuter highway vehicle (such as a van) by their employer

1. Enter meal expenses at the federal per diem rate.
2. Enter parking fees, tolls, and transportation, including trains, buses, etc., that **did not** involve overnight travel or commuting to and from work.
3. Enter travel expense while away from home overnight, including lodging, airfare, car rental, etc. **Do not** include meals.

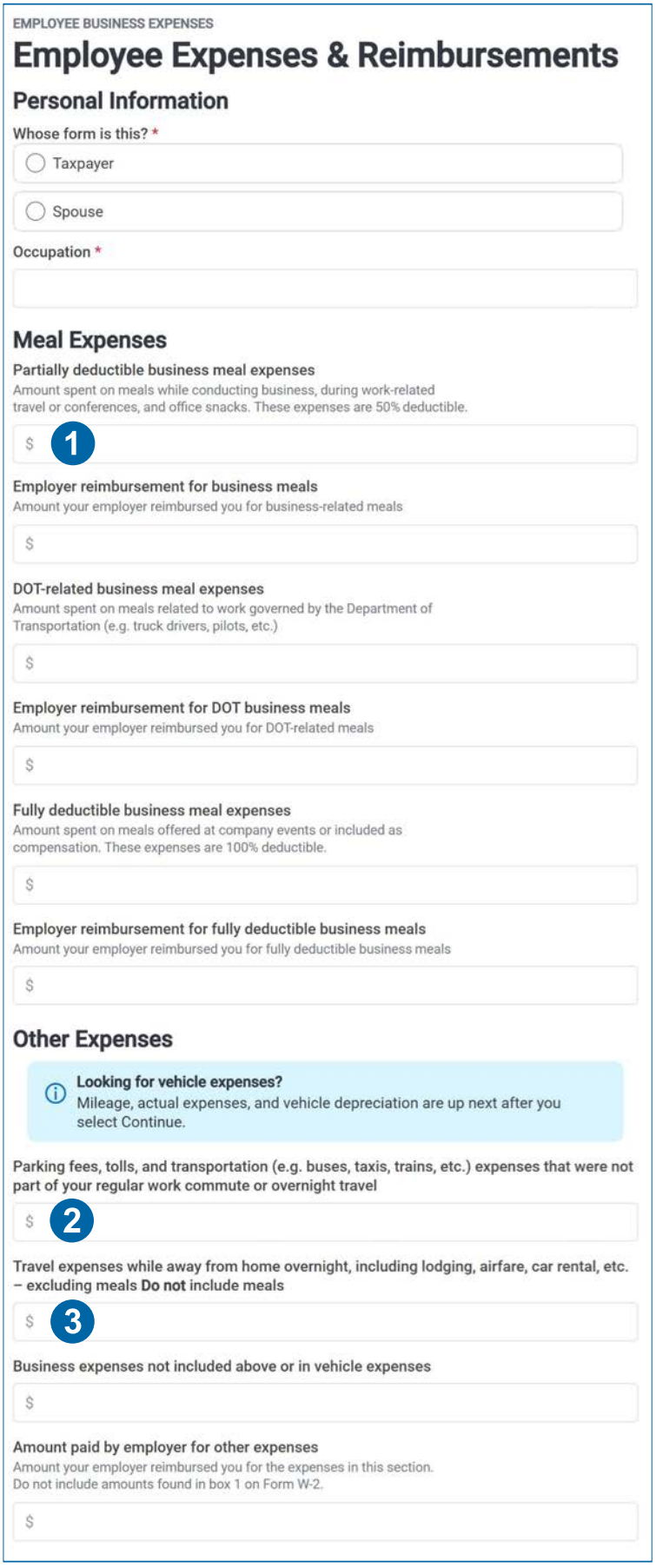
   The amount of expenses that can be deducted is limited to the:

   - actual lodging costs, limited to the federal per diem rate.
   - federal per diem rate for incidental expenses.
   - standard mileage rate (for car expenses) plus any parking fees, ferry fees and/or tolls.

Select **Continue** and enter vehicle mileage and information from the menu on the next screen.

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

Per diem rates for the 48 contiguous states and the District of Columbia are available at **GSA.gov/perdiem**. That site also provides links to the DOD site with rates for AK, HI, and U.S. associated territories, and the Department of State site with foreign rates. For more information, refer to the **Instructions for Form 2106**.



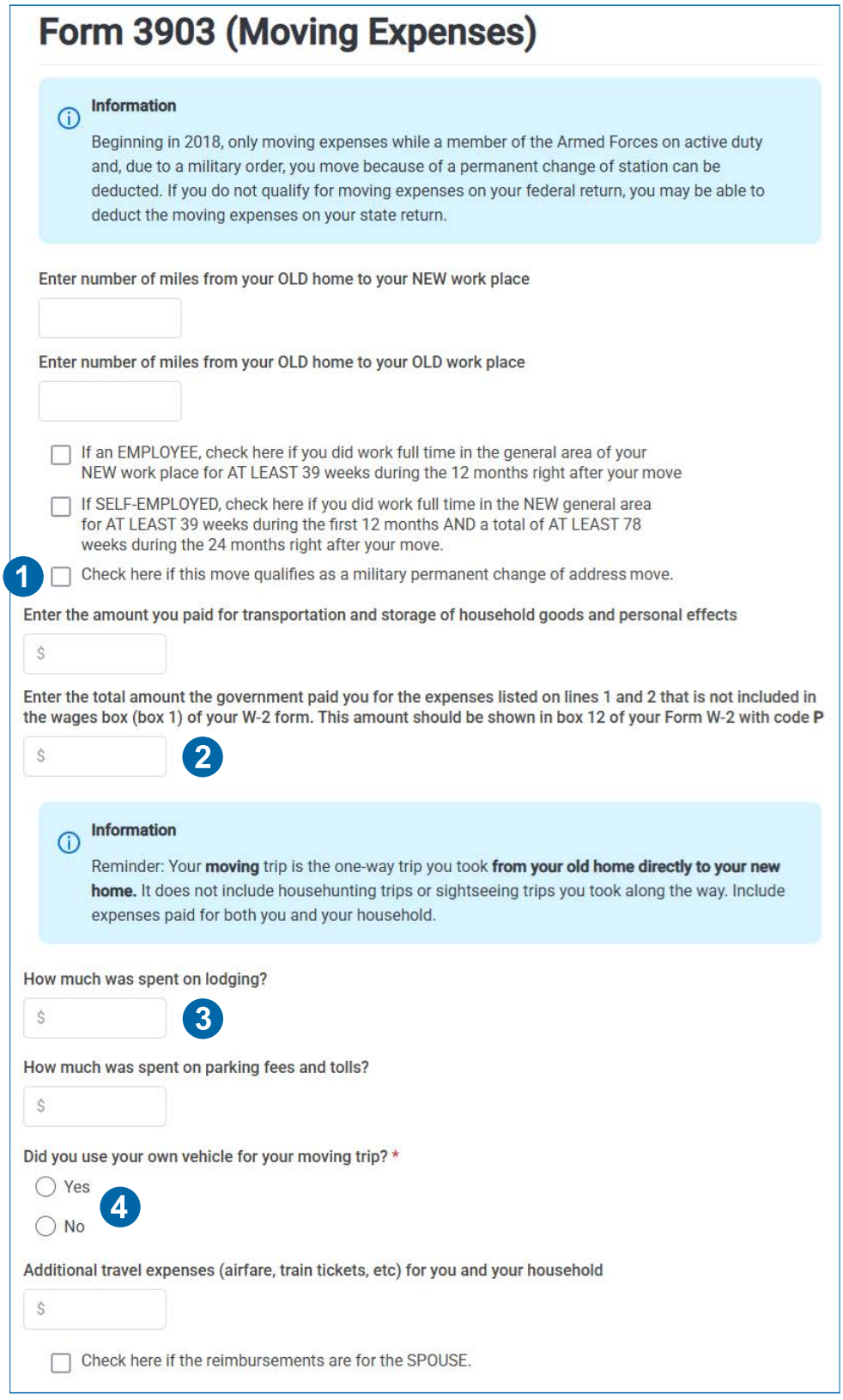
(M) Moving Expenses

Deductions>Adjustments>Moving Expenses; or Keyword: 3903

Moving expenses apply to active duty military only. Must be certified for Military.

1. Check the box to indicate a Permanent Change of Station (PCS) move.
2. Enter amount from Form W-2, Box 12, code P.
3. Enter lodging costs. You can't deduct the cost of unnecessary side trips or lavish and extravagant lodging.
4. If yes, enter number of miles or the taxpayer's actual amounts for gas and oil if they maintained receipts. Don't enter both.

See the **Instructions for Form 3903** for more details.



Moving Expenses (cont'd)

You can deduct the expenses of moving your household goods and personal effects, including expenses for hauling a trailer, packing, crating, in-transit storage, and insurance. You can't deduct expenses for moving furniture or other goods you bought on the way from your old home to your new home. You can include only the cost of storing and insuring your household goods and personal effects within any period of 30 consecutive days after the day these goods and effects are moved from your former home and before they are delivered to your new home.


You can deduct the expenses that are more than your reimbursements in the year you paid or incurred the expenses.


21 cents per mile driven for medical or moving purposes for the year.


You can't deduct the following items as moving expenses.

- Any part of the purchase price of your new home.
- Car tags.
- Driver's license.
- Expenses of buying or selling a home (including closing costs, mortgage fees, and points).
- Expenses of entering into or breaking a lease.
- Home improvements to help sell your home.
- Loss on the sale of your home.
- Losses from disposing of memberships in clubs.
- Mortgage penalties.
- Real estate taxes.
- Refitting of carpet and draperies.
- Return trips to your former residence.
- Security deposits (including any given up due to the move).
- Storage charges except those incurred in transit and for foreign moves.

(B) Educator Expenses

Deductions>Adjustments> Educator Expenses; or Keyword: EDUCA

Don't rely on this table alone. Refer to **Publication 529**, Miscellaneous Deductions, for more details.

Question	Answer
What is the maximum benefit?	$300 (If the taxpayer and spouse are both eligible educators, they can deduct up to $600, but **neither** can deduct more than their own expenses up to $300).
Who can claim the expense?	Eligible Educators — an eligible educator is a kindergarten through grade 12 teacher, instructor, counselor, principal, or aide who worked in a school for at least 900 hours during a school year.
What are qualifying expenses?	Qualifying expenses include ordinary and necessary expenses paid in connection with books, supplies, equipment (including computer equipment, software, and services), and other materials used in the classroom. Qualified expenses include amounts paid or incurred for personal protective equipment, disinfectant, and other supplies used for the prevention of the spread of coronavirus. Additionally, professional development expenses are allowed unless reimbursement is offered by the school but not accepted.
What are nonqualifying expenses?	Expenses for home schooling or nonathletic supplies for courses in health or physical education.
What other issues apply?	Taxpayer must reduce qualified expenses by • Excludable U.S. series EE and I savings bond interest from Form 8815 • Nontaxable qualified tuition program earnings or distributions • Nontaxable distribution of earnings from a Coverdell education savings account • Any reimbursements received for expenses that weren't reported on the Form W-2 education.

Professional development expenses include courses related to the curriculum in which the educator provides instruction.

The deduction amount is indexed for inflation and may change in future years.

(A) Self-Employed Health Insurance (SEHI) Deduction

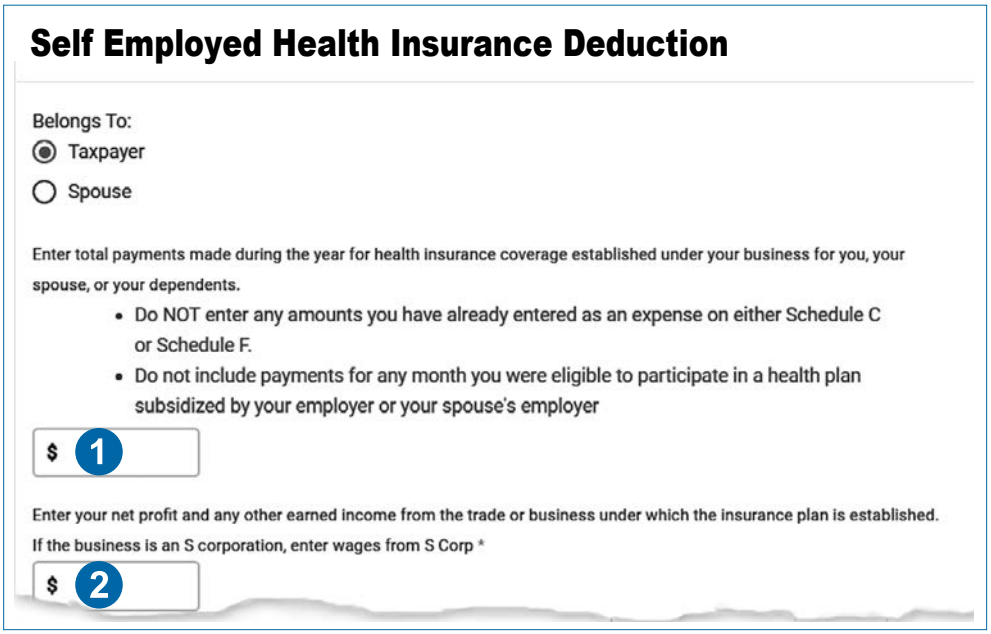
Income>Schedule C>General Expenses>Health Insurance; or Keyword: HEA

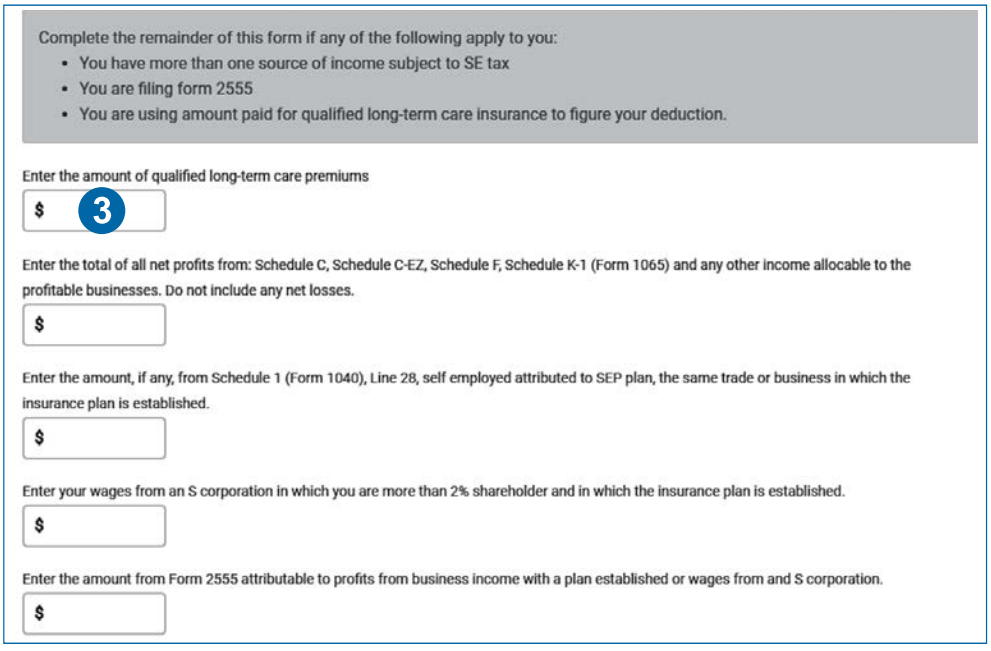
Do not enter self-employed health insurance data on this screen. Instead enter the qualifying health insurance and LTC insurance premiums (limit based on age) on the Schedule C - Expenses screen in the software (see page D-32). TaxSlayer will automatically flow the SEHI deduction to Schedule 1 as an adjustment with any excess taken to Schedule A. See page D-34 for more details, including related scope and examples.

1. Enter total amount of premiums paid here for health insurance
2. Enter the net profit from Schedule C in the field below the insurance payment amounts (the adjustment amount cannot be greater than the net profit from the business). TaxSlayer will automatically subtract the adjustment for ½ of SE tax.
3. LTC premiums limited by age for 2025:
   - Age 40 or under: $480
   - Age 41 to 50: $900
   - Age 51 to 60: $1,800
   - Age 61 to 70: $4,810
   - Age 71 and over: $6,020

Calculations with Premium Tax Credit are Out of Scope with respect to the self-employed health insurance deduction. Exception: return remains in scope if the allowable SEHI deduction limit is fully met by eligible non-Marketplace insurance, such as LTC insurance, Medicare, etc. See caution on page D-34.

For taxpayers who are itemizing deductions, test to see if claiming the health insurance on Schedule A yields a better result. See page D-35.





(A) Health Savings Accounts (HSA)

Deductions>Adjustments>Health Savings Accounts HSAs; or Keyword: HSA

Don't rely on this document alone. Refer to HSA references to provide assistance. See pages E-12 and E-13 for TaxSlayer entry details. Below is general information on HSA eligibility and Form 8889.

IRS

Publication 4885

Screening Sheet for Health Savings Accounts (HSA)

Instructions: This Screening Sheet will help you identify HSA issues that are within the scope of the VITA/TCE program. Use the Determine HSA Eligibility section to determine if taxpayer is eligible for an HSA; use Part I for contributions/ deduction; use Part II for distributions. **References:** **Publication 969**, **Form 8889**, and **Form 8889 Instructions**

Determine HSA Eligibility (To set up an HSA or make contributions to an HSA)

To qualify: An individual must meet **all** the following requirements:

- Be covered under a high deductible health plan (HDHP) on the first day of any month of the year.
- Have no other health coverage except for allowable "other health coverage." (**Publication 969**, "Other health coverage")
- Not be claimed as a dependent on someone else's tax return. (**Publication 969**, "Qualifying for an HSA")
- Not be covered by Medicare (but the individual can be HSA eligible for the months before being covered by Medicare)

Note: If the taxpayer doesn't qualify, but contributions have been made to an HSA, the taxpayer should be referred to a professional tax preparer.

PART I – HSA Contributions and Deduction

STEP 1	If eligible, were contributions made to an HSA? (Does not include employer contributions.)	**YES** – Complete Form 8889, Part I, lines 1 and 2. Go to Step 2. **NO** – Go to Part II, below.
STEP 2	Was the taxpayer enrolled in the same HDHP coverage for the **entire** year? (Answer Yes, if last-month rule applies, and see **Form 8889 Instructions**) **Caution:** If line 2 is more than line 13, the taxpayer must withdraw the excess contribution to avoid an additional tax. If the excess is not timely withdrawn, refer the taxpayer to a professional tax preparer. (Refer to **Form 8889 Instructions**, line 13).	For **YES** and **NO**: Complete Form 8889, Part I, lines 3-13. **Lines 4 and 10 are Out of Scope**. **NO** – Refer to **Form 8889 instructions** for additional information on completing line 3.

PART II – HSA Distributions

STEP 1	Did the taxpayer receive distributions from the HSA trustee (whether or not Form 1099-SA received)?	**YES** – Complete Form 8889 Part II, Line 14a, 14b, if applicable, and 14c. Go to Step 2. **NO** – STOP, do not complete Part II.
STEP 2	Did the taxpayer offset all or part of the distribution with qualified medical expenses that were incurred after the HSA was established and were for qualified persons?	**YES** – Enter the amount on line 15 and complete line 16. Go to Step 3. **NO** – Enter zero on line 15 and complete line 16. Go to Step 3.
STEP 3	If any part of the distribution is taxable, was the distribution made after the taxpayer died, became disabled or turned 65?	**YES** – Check box on line 17a and complete 17b. **NO** – Taxpayer will be subject to an additional 20% tax.

Health Savings Accounts (HSA) (cont'd)

Complete Form 8889, Health Savings Accounts (HSAs), if any of these apply:

- The Interview/Intake & Quality Review Sheet has the box checked for "Have a health savings account (HSA)" and you determine that the taxpayer (or spouse) made HSA contributions or distributions
- The taxpayer's (or spouse's) Form W-2 contains code W in box 12 for employer contributions.
- The taxpayer (or spouse) has a Form 1099-SA with an X in the box showing distributions from an HSA.
- The taxpayer (or spouse) has a Form 5498-SA showing their HSA contributions, or provides their HSA contribution information based on their records. Form 5498-SA may not have been received as it is not required to be sent until after the filing deadline.



Contributions to an employee's HSA account through a Section 125 (cafeteria) plan are treated as employer contributions and aren't deductible. Such contributions are included as part of the code W amount in Form W-2 Box 12.

Health Savings Accounts (HSA) (cont'd)

Deductions>Adjustments>Health Savings Accounts HSAs; or Keyword: HSA

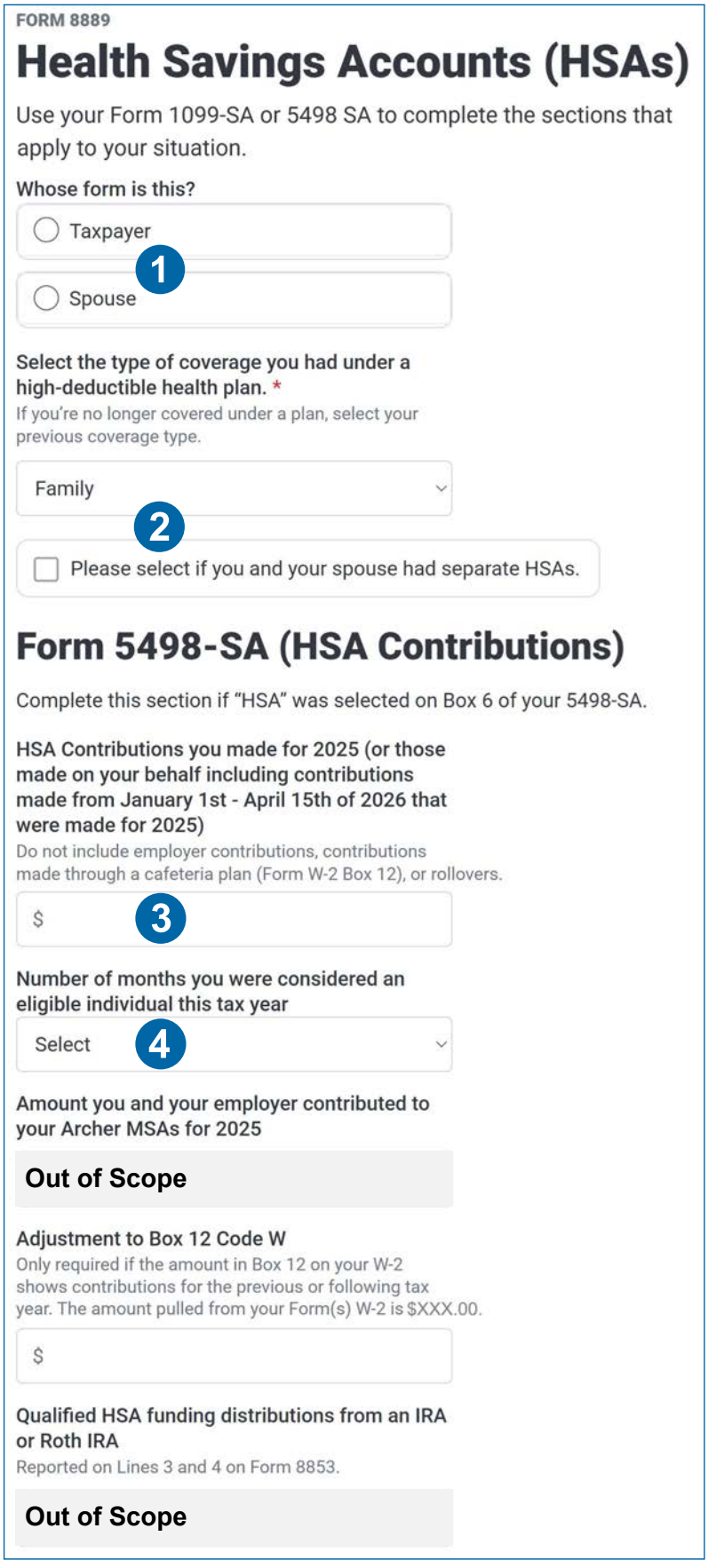
2025 Contribution Limits

- Family Plan: $8,550
- Self only Plan: $4,300
- Add $1,000 if the owner is age 55 or over at end of year

1. Add a second Form 8889 if taxpayer and spouse have separate HSAs.
2. Select the appropriate HDHP coverage for the individual: Self-only or Family. This determines the maximum HSA contribution limits.

   Select family if taxpayer had family coverage on Dec 1 or if married and either spouse had family coverage at any time in the tax year. Otherwise select the coverage that was in effect the longest.

   "Please select if you and your spouse had separate HSAs" only appears if family coverage is selected. Only check this box if both spouses had contributions to their own separate HSAs. If checked, adjustments to Form 8889 Lines 3 and 6 are mandatory *(see #10 and #11 on the next page)*.
3. Enter taxpayer contributions here (contributions by relatives and friends are considered to be made by taxpayer). **Do not** include employer contributions or contributions through a pre-tax cafeteria plan. The account holder needs to tell you how much was put in their HSA, because Form 5498-SA may not have been issued prior to preparing the return.
4. Enter number of months you had a Health Savings Account, a high deductible policy and no other major medical policy (including Medicare) and could not be claimed as dependent. Enter “12” if “12 month rule” applies (you were eligible on December 1st and will continue coverage for the full next year).



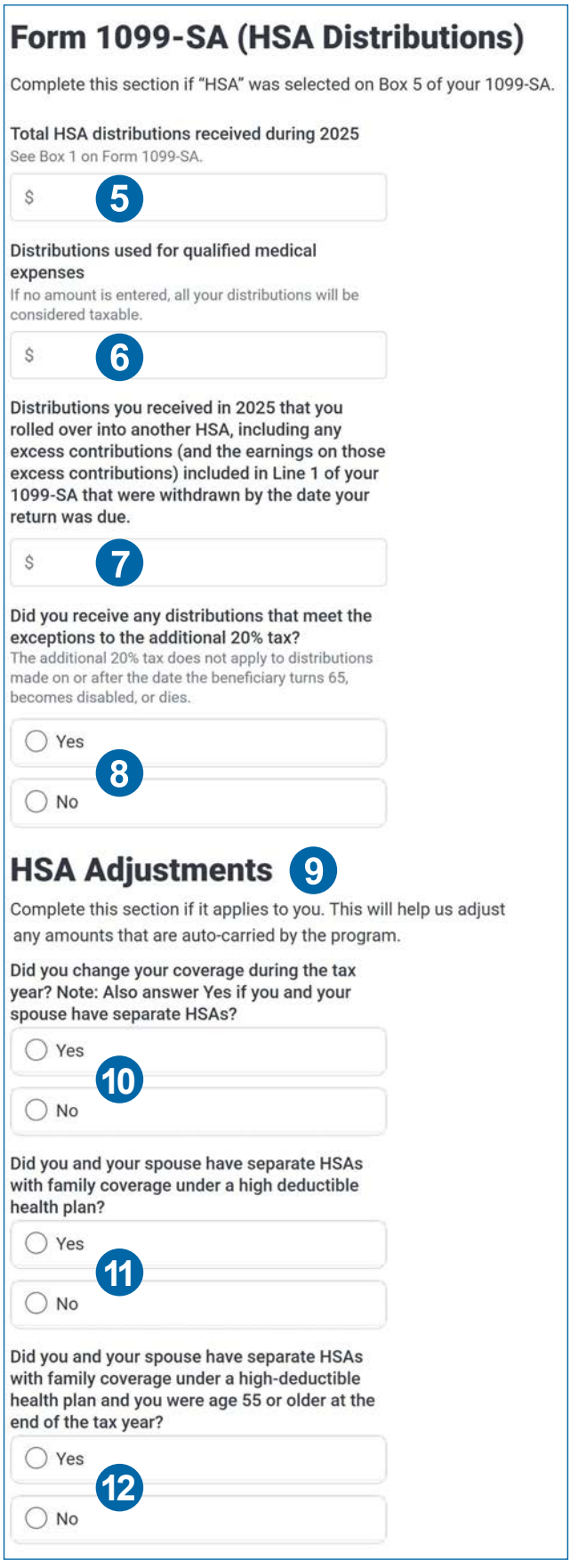
Health Savings Accounts (HSA) (cont'd)

5. Enter HSA distributions here. Ask the taxpayer for Form 1099-SA, with the HSA box checked. If not an HSA distribution, refer the taxpayer to a professional tax preparer.
6. Enter amount spent on qualifying expenses not reimbursed by insurance or taken as an itemized deduction in any year. See list on next page.
7. If Form 8889 Line 2 exceeds Line 13, there are excess contributions. Enter excess contributions (plus earnings) here if they were timely withdrawn; see caution below.

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

8. If the taxpayer meets one of exceptions to the 20% additional tax, check this box. The exceptions are that the account beneficiary dies, becomes disabled, or turns age 65.
9. If no adjustments to calculated amounts are needed, stop here.
10. Only answer Yes when an adjustment needs to be entered. An adjustment to Line 3 is required for:
    - Account owner had changes in coverage or eligibility during the year. See **Instructions for Form 8889** and Caution below.
    - Married couples where each spouse had contributions to their own separate HSAs and they had family HDHP coverage at any time during the year. If they had 12 months of family coverage, enter $8,550 in the first adjustment box. Otherwise see **Instructions for Form 8889** and Caution below.
11. If "Check here if you and your spouse have separate HSAs" was checked, then this entry for the Line 6 adjustment is mandatory. If they had family coverage for all 12-months, then the $8,550 limit can be split between the spouses however they'd like. Otherwise see **Instructions for Form 8889** and the caution below.
12. Always answer No. An entry is not needed in the age 55 or older box. This is a calculated amount.

⚠ The scenarios that require adjustments as indicated in #10 and #11 above require complex calculations as described in the **Instructions for Form 8889**. If the volunteer is not trained on the scenario encountered, they should refer the taxpayer to a professional tax preparer.



Qualifying Medical Expenses

Except for health insurance premiums, qualifying expenses include all medical and dental expenses deductions allowed on Schedule A. Additional items are considered "qualified medical expenses" and may be reimbursed by HSAs, Archer MSAs, Health FSAs, and HRAs. Specifically, the cost of menstrual care products is now reimbursable. These products are defined as tampons, pads, liners, cups, sponges or other similar products. In addition, over-the-counter products and medications are now reimbursable without a prescription. The purchase of personal protective equipment (PPE), such as masks, hand sanitizer and sanitizing wipes, for the primary purpose of preventing the spread of coronavirus are also eligible to be paid or reimbursed. The cost of home testing for COVID-19 is also an eligible medical expense.

Only these insurance premiums can be included:

- Long-term care insurance premiums subject to limits see. See page F-9.
- Health care continuation coverage such as coverage under COBRA,
- Health care coverage while receiving unemployment compensation, and
- Medicare and other health care coverage if the taxpayer was 65 or older (other than premiums for a Medicare supplemental policy, often called Medigap coverage).

(B) Alimony Requirements (Instruments Executed After 1984 and Before 2019)



Deductions>Adjustments>Alimony Paid; or Keyword: ALIM and Income>Alimony Received; or Keyword ALIM

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



Alimony paid pursuant to a divorce or separation instrument executed on or before December 31, 2018, is deductible by the payer and includible in income by the recipient. For divorce or separation agreements executed after Dec 31, 2018, or executed before 2019 but later modified, if the modification expressly states the repeal of the deduction for alimony payments applies to the modification, alimony is not deductible for the spouse who makes the payments and will not be included in income for the spouse that receives the payment. State tax law may vary.

(A) IRA Deduction

Deductions>Adjustments>Traditional IRA Contributions; or Keyword: IRA D

For 2025, the limit on total contributions you can make to all of your traditional and Roth IRAs is the lesser of:

- $7,000 ($8,000 if age 50 or older), or
- Your taxable compensation for 2025.

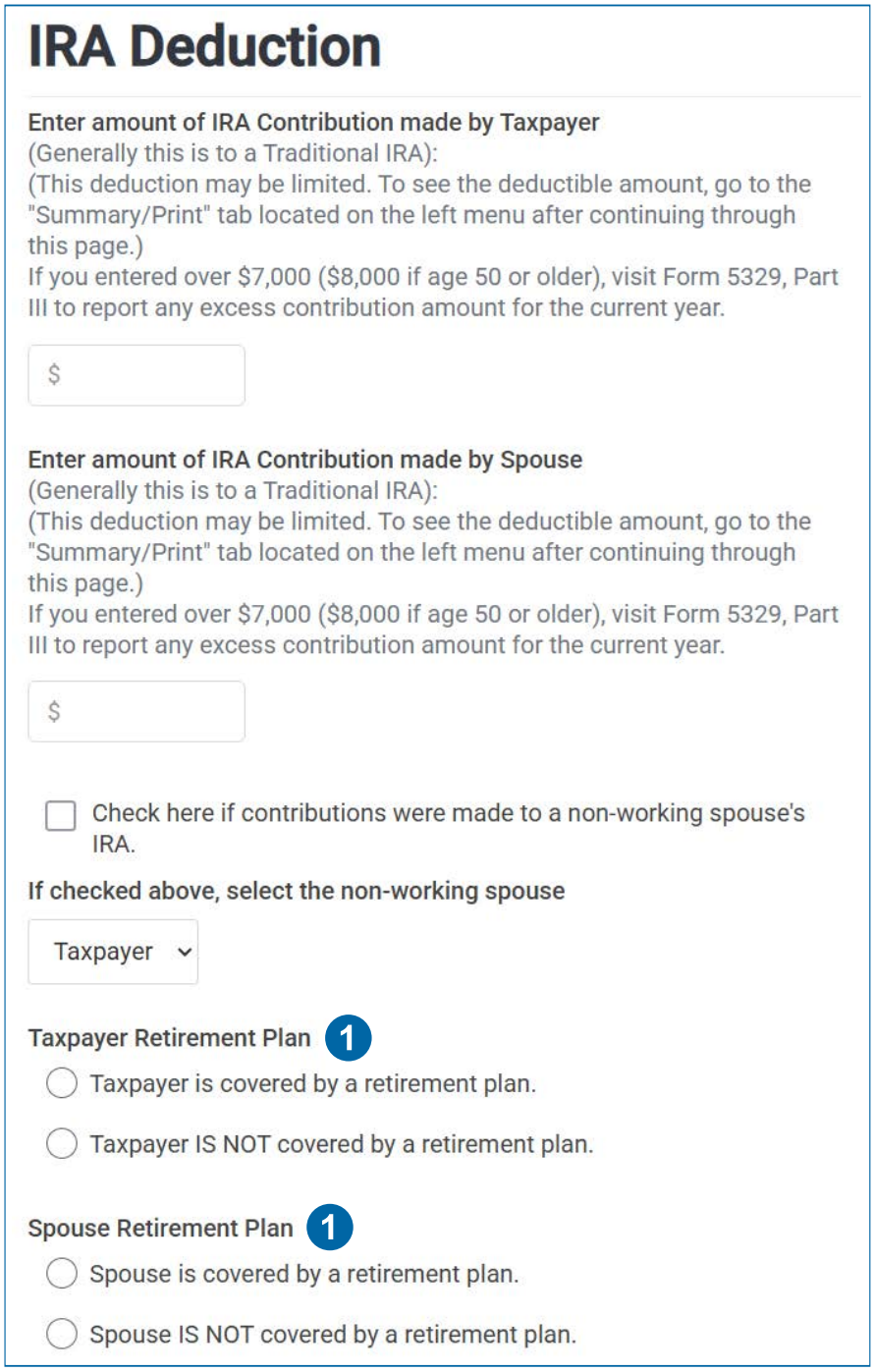
1. Check if the taxpayer's or spouse's Form W-2, Box 13 has Retirement plan checked.

Compensation for purposes of an IRA contribution includes wages, salaries, commissions, net profit from self-employment, taxable alimony and separate maintenance, certain taxable non-tuition fellowship and stipend payments and nontaxable combat pay.

If the total of traditional and Roth IRA contributions exceeds the above limit, the taxpayer must withdraw the excess plus earnings before the filing deadline (including extensions). Otherwise, a penalty will apply and the return will be Out of Scope. The earnings are taxable. If Form 8606 is included in the return PDF, verify no excess contribution was made.

TaxSlayer carries nondeductible traditional IRA contributions to Form 8606. See next page for additional entries required.

Contributions to a traditional or Roth IRA must be made by the filing deadline for the tax year. Contributions can be made at any age, however IRA deductions taken at or after age 70½ reduce the excludable portion of Qualified Charitable Distributions (see note on page D-65).



For contributions to a Roth IRA, no deduction can be taken. For a traditional IRA, the deduction may be limited based on Modified AGI and if taxpayer or spouse is covered by a retirement plan at work. For more information, see **Publication 590-A** or **IRS.gov/retirement-plans/ira-deduction-limits**.

Medicaid waiver payments excluded from gross income may increase the amount of nondeductible traditional or Roth IRA contributions that can be made, but not in excess of the above limit.

Entering IRA Contributions

If eligible, the software will calculate a Retirement Savings Contributions Credit after IRA contributions are entered. Be sure to enter any applicable retirement plan distributions. See page G-17 for more information on this credit.

Enter IRA contributions depending on if they are deductible or nondeductible as follows:

- (A) Enter **deductible** traditional IRA contributions at the following navigation (see prior page).

  Deductions>Adjustments>Traditional IRA Contributions; or Keyword: IRA D

- To enter **nondeductible** traditional IRA or Roth IRA contributions:

  1. (B) Enter the nondeductible contribution at the following navigation in the field "Enter Any Current Year Traditional and Roth IRA Contributions, and ABLE account contributions (Do not re-enter Traditional IRA contributions already reported in IRA Deduction menu)" as shown in #3 on page G-20:

     Deductions>Credits>Credit for Qualified Retirement Savings Contributions>; or Keyword: 8880

  2. (A) If this was a nondeductible contribution to a traditional IRA (not a Roth IRA), you must also report the increase in basis by entering the contribution at the following navigation. If taxpayer already had an IRA basis from prior nondeductible contributions, also manually carry forward their prior basis by entering the amount from their last Form 8606 line 14 into TaxSlayer. No other 8606 entries are needed unless there are also distributions from the IRA. See page D-56.

     Deductions>Adjustments>Nondeductible IRAs; or Keyword: 8606

(B) Student Loan Interest Deduction at a Glance

Deductions >Adjustments>Student Loan Interest Deduction; or Keyword: STU

This table is only an overview of the rules. For details see **Publication 970**, Tax Benefits for Education.

Feature	Description
Maximum benefit	Taxpayers can reduce their income subject to tax by up to $2,500.
Loan qualifications	Taxpayer must be legally liable for the loan. • must have been taken out solely to pay education expenses, and • can't be from a related person or made under a qualified employer plan.
Student qualifications	• The student must be the taxpayer, spouse, or a person who was the taxpayer's dependent when the loan was taken out, or could've been a dependent except that they filed MFJ, had gross income over the exemption amount, or the taxpayer could be claimed as a dependent. • The student must have been enrolled at least half-time in a program leading to a degree, certificate or other recognized educational credential.
Time limit on deduction	Taxpayer can deduct interest paid during the remaining period of the student loan.
Phaseout	This deduction begins to phase out for taxpayers with MAGI more than $85,000 ($170,000 for joint returns) and is completely phased out for taxpayers with MAGI of $100,000 or more ($200,000 or more for joint returns).

If student loan interest is paid by someone who isn't legally liable for it, the payment is treated as made by the person who's legally liable, and the person legally liable is allowed to take the adjustment. Student loan interest is generally reported to the taxpayer on Form 1098-E. For payments made after March 27, 2020, do not deduct as interest on a student loan any interest paid by an employer under an educational assistance program.

Taxpayer cannot claim the deduction if filing status is Married Filing Separately or if the taxpayer or spouse (if MFJ) is claimed as a dependent.

For Student Loan Forgiveness, see page D-83.

Student Loan Interest and Secure Act of 2019

The SECURE Act of 2019 allows a distribution from a Section 529 education savings account of up to $10,000 total (not annually) to be applied to the principal or interest for any qualified student loan for the designated beneficiary or sibling of the designated beneficiary effective for distributions made after December 31, 2018.

Earnings distributed from a QTP (Section 529 plan) that are treated as tax free because they were used to pay student loan interest cannot also be used for the student loan interest deduction. Before entering this adjustment, ask if a 529 plan distribution was applied to student loan interest as Form 1099-Q may have been issued to the account owner or the beneficiary. If so, reduce the student loan interest entered in TaxSlayer for this adjustment by the tax-free portion of earnings from Box 2 of Form 1099-Q. Note this on the Form 1098-E for the taxpayer's records and to help with quality review.

Tab F: Deductions

(B) Standard Deduction

This chart provides the standard deduction amounts for tax year 2025.

Standard Deduction Chart for Most People*

If the taxpayer's filing status is...	Their standard deduction is ...
Single or married filing separate return	$15,750
Married filing joint return or qualifying surviving spouse	$31,500
Head of household	$23,625

*Don't use this chart if the taxpayer was born before January 2, 1961, or is blind, or if someone can claim the taxpayer as a dependent (or their spouse if married filing jointly). (See the chart on the following page.)

Persons Not Eligible for the Standard Deduction

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

- Your filing status is married filing separately, and your spouse itemizes deductions on his or her return. It doesn't matter who files first.
- You are filing a tax return for a short tax year because of a change in your annual accounting period (Out of Scope)
- You are a nonresident or dual-status alien during the year. You are considered a dual-status alien if you were both a nonresident and resident alien during the year (Out of Scope).
- If you are a nonresident alien who is married to a U.S. citizen or resident alien at the end of the year, you can choose to be treated as a U.S. resident. (See **Publication 519**, U.S. Tax Guide for Aliens.) If you make this choice, you can take the standard deduction. See Tab L, including footnote 8 on page L-7.



If you can be claimed as a dependent on another taxpayer's return (such as your parents' return), your standard deduction may be limited.

(B) Standard Deduction Chart and Worksheet

Standard Deduction Chart for People Born Before January 2, 1961 or Were Blind

Don't use this chart if someone can claim you (or your spouse if filing jointly) as a dependent. Use the second worksheet below. **Note:** Blind is defined in the Glossary.

Standard Deduction Chart for People Who Were Born Before January 2, 1961, or Were Blind

Don't use this chart if someone can claim you, or your spouse if filing jointly, as a dependent. Instead, use the worksheet below.

☐ You were born before January 2, 1961. ☐ You are blind.
☐ Spouse was born before January 2, 1961. ☐ Spouse is blind.

Enter the total number of boxes checked . . . . . ▶ ☐

IF your filing status is . . .	AND the number in the box above is . . .	THEN your standard deduction is . . .
Single	1 2	$17,750 19,750
Married filing jointly	1 2 3 4	$33,100 34,700 36,300 37,900
Qualifying surviving spouse	1 2	$33,100 34,700
Married filing separately*	1 2 3 4	$17,350 18,950 20,550 22,150
Head of household	1 2	$25,625 27,625

** You can check the boxes for spouse if your filing status is married filing separately and your spouse had no income, isn't filing a return, and can't be claimed as a dependent on another person's return.*

Standard Deduction Worksheet for Dependents

Use this worksheet only if someone else can claim you (or your spouse if filing jointly) as a dependent.

1. Check if: ☐ You were born before January 2, 1961.
☐ You are blind.
☐ Spouse was born before January 2, 1961.
☐ Spouse is blind.

Total number of boxes checked . . . . . **1.** _____

2. Is your **earned income*** more than $900?

☐ **Yes.** Add $450 to your earned income. Enter the total.
☐ **No.** Enter $1,350.

. . . . . **2.** _____

3. Enter the amount shown below for your filing status.

- Single or married filing separately—$15,750
- Married filing jointly—$31,500
- Head of household—$23,625

. . . . . **3.** _____

4. **Standard deduction.**

a. Enter the **smaller** of line 2 or line 3. If born after January 1, 1961, and not blind, **stop here** and enter this amount on Form 1040 or 1040-SR, line 12e. Otherwise, go to line 4b . . . . . **4a.** _____

b. If born before January 2, 1961, or blind, multiply the number on line 1 by $1,600 ($2,000 if single or head of household) . . . . . **4b.** _____

c. Add lines 4a and 4b. Enter the total here and on Form 1040 or 1040-SR, line 12e . . . . . **4c.** _____

** **Earned income** includes wages, salaries, tips, professional fees, and other compensation received for personal services you performed. It also includes any taxable scholarship or fellowship grant. Generally, your earned income is the total of the amount(s) you reported on Form 1040 or 1040-SR, line 1z, and Schedule 1, lines 3, 6, 8r, 8t, and 8u minus the amount, if any, on Schedule 1, line 15.*

(A) Interview Tips – Itemized Deductions

These interview tips will assist you in determining whether a taxpayer's itemized deductions are more than their standard deduction amount. It may be more advantageous for a taxpayer to itemize their deductions if the amount is larger than the allowable standard deduction amount. Consider having the taxpayer complete the NTTC **Itemized Deductions Worksheet** if itemizing deductions may beneficial.

Step	Probe/Ask the taxpayer:	Action
1	Do you have expenses in the following categories: medical and dental expenses, taxes you paid, home mortgage interest or points you paid, gifts to charity, gambling losses and expenses incurred in gambling activities (to the extent of gambling winnings) and work related expenses for disabled individuals that enables them to work. **Note:** Casualty and theft losses are Out of Scope.	If **YES**, go to Step 2. If **NO**, generally speaking, you should take the standard deduction if eligible.
2	Were the medical and dental expenses paid by an employer under a pre-tax plan (not included in Box 1 of the taxpayer's Form W-2) or were the expenses reimbursed by an insurance company?	If **YES**, you can't deduct reimbursed expenses. Go to Step 4. If **NO**, you can claim these expenses. Go to Step 3.
3	Were the medical and dental expenses more than 7.5% of your adjusted gross income? **Note:** You can include medical and dental bills you paid for: • Yourself and your spouse • All dependents you claim on your return • Your child whom you don't claim as a dependent because of the rules for children of divorced or separated parents • Any person you could have claimed as a dependent on your return except that person received $5,200 or more of gross income or filed a joint return • Any person you could have claimed as a dependent except that you, or your spouse if filing jointly, can be claimed as a dependent on someone else's 2025 return	If **YES**, you can claim qualified expenses. Go to Step 4. If **NO**, you can't deduct these expenses. Go to Step 4. For more information refer to Publication 502, Medical and Dental Expenses
4	Were the following taxes you paid imposed on you: state and local general sales tax, state or local income tax, real or personal property taxes? **Note:** The itemized deduction for the total amount of these taxes is limited as described on page F-10. This limit does not apply to foreign income taxes.	If **YES**, go to Step 5. If **NO**, you can't claim this expense as a deduction because you weren't obligated to pay the taxes. Go to Step 6.
5	Did you pay these taxes during this tax year?	If **YES**, you can claim these expenses and go to Step 6. If **NO**, you can't deduct taxes for this year that were paid in another year. Go to Step 6.
6	Are you legally liable for a home mortgage loan?	If **YES**, go to Step 7. If **NO**, you can't take an interest expense for a mortgage for which you aren't legally liable. Go to Step 12.
7	Was the mortgage a secured debt on a main or second home? For more information refer to Publication 936, Home Mortgage Interest Deduction	If **YES**, go to Step 8. If **NO**, you can't take an interest expense. Go to Step 12.
8	Did you pay mortgage interest or points in this tax year?	If **YES**, go to Step 9. If **NO**, you can't take the mortgage interest deduction. Go to Step 12.

Interview Tips – Itemized Deductions (cont'd)

Interest on home equity loans and lines of credit is deductible only if the borrowed funds are used to buy, build, or substantially improve the taxpayer's home that secures the loan. The loan must be secured by the taxpayer's main home or second home (qualified residence), and meet other requirements.

Step	Probe/Ask the taxpayer:	Action
9	Is either of the following true? a. All of your home mortgages were taken out on or before October 13,1987. b. All of your home mortgages taken out after October 13, 1987 were used to buy, build, or substantially improve your main or second home **and** the balance of all mortgages was $750,000 or less ($375,000 if MFS).	If **YES**, your mortgage interest is fully deductible. See caution above and Note 5. Go to Step 10. If **NO**, follow the flowchart, "Is My Home Mortgage Interest Fully Deductible" in Publication 936, Home Mortgage Interest Deduction, to determine what is deductible. See caution above and Note 5. Go to Step 10.
10	Did you pay premiums in 2025 for qualified mortgage insurance for a home acquisition debt that was issued after 2006?	If **YES**, you may be able to take a deduction on your state return. However, this does not affect the Federal return. Go to Step 11. If **NO**, go to Step 11.
11	Did you pay points to obtain a home mortgage (on a main home or second home or home improvement loan or to refinance your home)?	If **YES**, follow the "Are My Points Fully Deductible This Year" flowchart in Publication 936. See Notes 1 and 2 and then go to Step 12. If **NO**, go to Step 12.
12	Did you make a cash contribution to a qualified organization?	If **YES**, you must have a written record as described in Publication 526, Charitable Contributions, and then go to Step 13. If **NO**, go to Step 13.
13	Did you make a noncash donation to a qualified organization? **Note:** Generally the value of a donation is the lesser of your cost or fair market value.	If **YES**, advise the taxpayer that generally he or she must have a written receipt from that particular organization. Go to Step 14. See Note 3. If **NO**, go to Step 14.
14	Is the total of all noncash donations $5,000 or less?	If **YES**, see Note 4 for more details. If **NO**, this is Out of Scope for Tax-Aide.

1: If you refinanced in an earlier year, and weren't eligible to take all the points in that year, you can add in this year's portion of those prior year points.

2: If in Step 9 you determined that your deductible mortgage interest is limited, then your deductible points are also limited. See **Publication 936**, Part II, Claiming your deductible points.

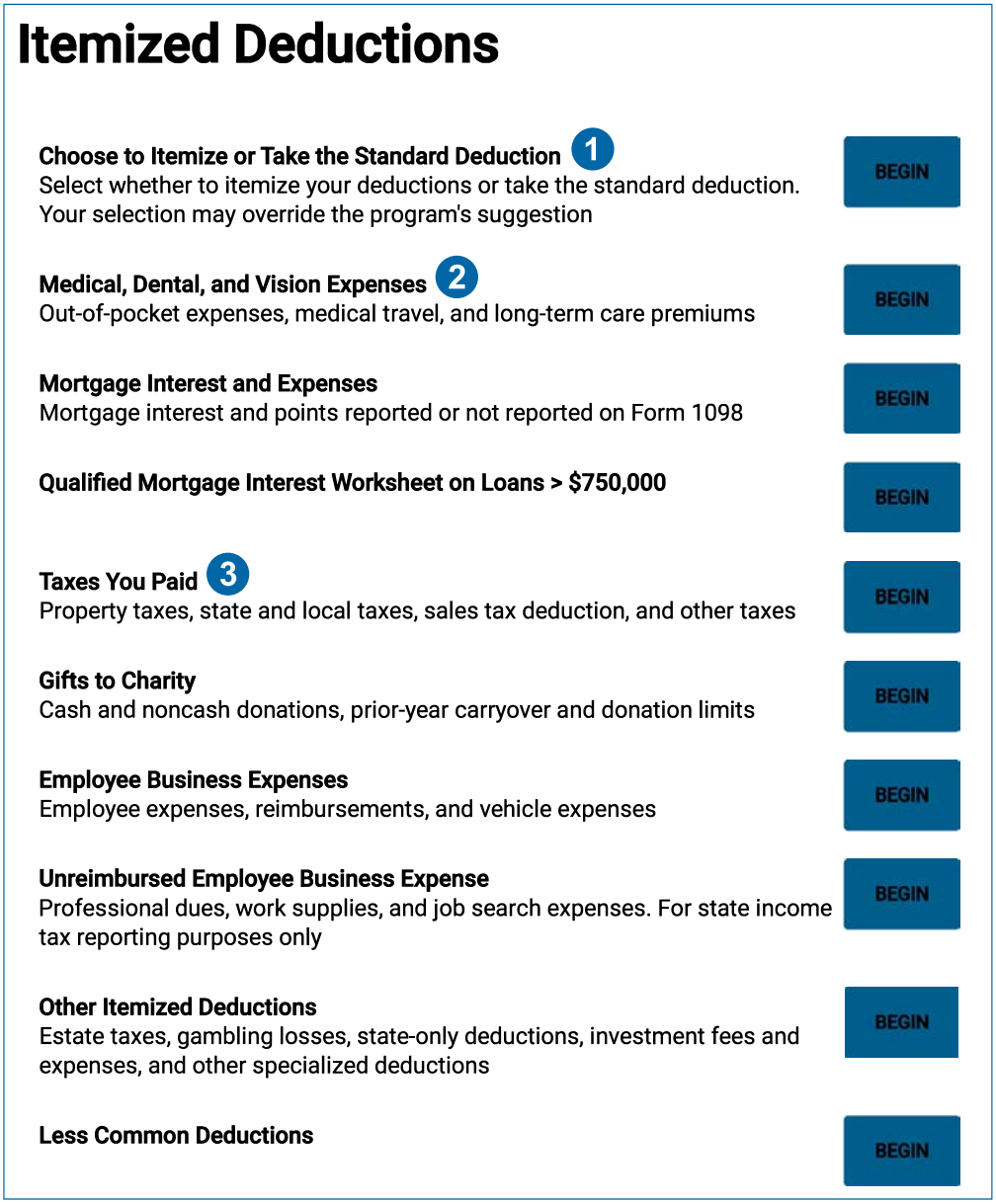
3: For noncash donations less than $250, you are not required to have a receipt where it is impractical to get one (for example if you leave property at a charity's unattended drop site). But the taxpayer must keep a written record with the required information of each such donation.

4: For more details on charitable contributions, see **Publication 526**, Charitable Contributions. To search for qualified organizations see **Tax Exempt Organization Search** (www.irs.gov/TEOS).

5: A Homeowner Assistance Fund (HAF) payment is a qualified disaster relief payment and is not included in the homeowner's gross income. Eligible homeowners who received a Homeowner Assistance Fund (HAF) payment may use a safe harbor to calculate the homeowner's itemized deduction for qualified mortgage interest expenses and/or qualified real property tax expenses, as applicable. See **Revenue Procedure 2021-47** for details.

(A) Entering Schedule A – Itemized Deductions

Deductions>Itemized Deductions; or Keyword: ITEM



1. If MFS and spouse itemizes, taxpayer must also itemize. Standard deduction can't be used. It doesn't matter which spouse files first. Select **Choose to Itemize or Take the Standard Deduction** then select the option **Must itemize because spouse itemized**.
2. Select to enter unreimbursed medical expenses. Do not include any health or Long-Term Care (LTC) insurance premiums used for the Public Safety Officer (PSO) exclusion or the Self-Employed Health Insurance Deduction.
3. Select to enter taxes not entered elsewhere in the software.

Personal protective equipment, such as masks, hand sanitizer and sanitizing wipes, for the primary purpose of preventing the spread of coronavirus are deductible medical expenses. The cost of home testing for COVID-19 is also an eligible medical expense.

(A) Schedule A – Medical Expenses

The following is a partial list. For more details, refer to *What Medical Expenses Are Includible?* and *What Expenses Aren't Includible?* in **Publication 502**, Medical and Dental Expenses.

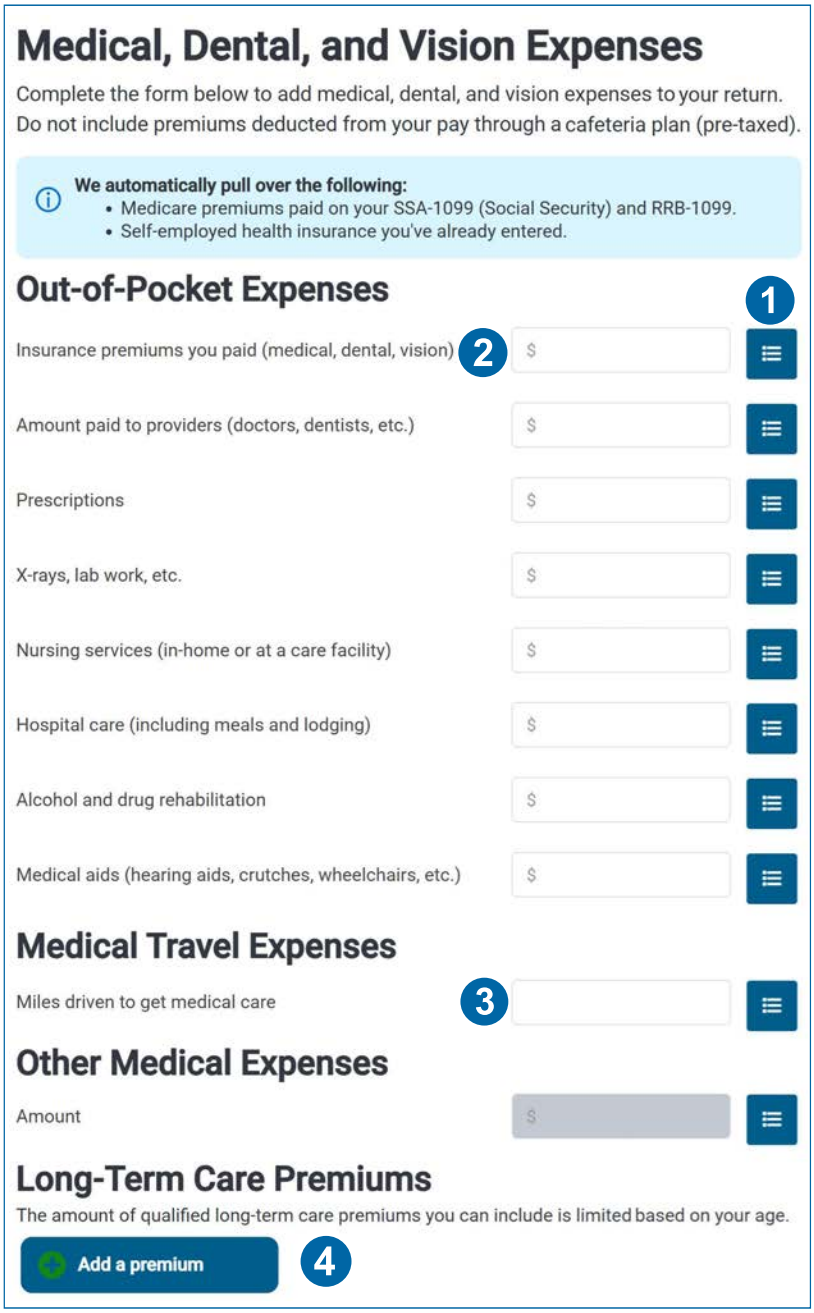
Schedule A – Common Deductible and Nondeductible Medical Expenses			
You can include:		**You can't include:**	
• Acupuncture • Ambulance • Bandages • Birth control pills prescribed by your doctor • Body scan • Braille books • Breast pump and supplies • Capital expenses for equipment or improvements to your home needed for medical care (see *Worksheet A, Capital Expense Worksheet*, in Pub. 502) • Chiropractor • Diagnostic devices • Expenses of an organ donor • Eye exam • Eyeglasses • Eye surgery (to promote the correct function of the eye) • Fertility enhancement, certain procedures • Guide dogs or other animals aiding the blind, deaf, and disabled • Hospital services fees (lab work, therapy, nursing services, surgery, etc.) • Lead-based paint removal • Legal abortion • Legal operation to prevent having children such as a vasectomy or tubal ligation • Long-term care (LTC) and qualified services and LTC insurance contracts • Meals and lodging provided by a hospital during medical treatment • Medical services fees (from doctors, dentists, surgeons, specialists, and other medical practitioners)	• Medicare premiums (not Medicare tax) • Medical and hospital insurance premiums • Nursing services • Oxygen equipment and oxygen • Part of life-care fee paid to retirement home designated for medical care • Physical examination • Pregnancy test kit • Prescription medicines (prescribed by a doctor) and insulin • Psychiatric and psychological treatment • Social Security tax, Medicare tax, FUTA, and state employment tax paid to a worker providing medical care (see Wages for nursing services below) • Special items (artificial limbs, false teeth, eyeglasses, contact lenses, hearing aids, crutches, wheelchair, etc.) • Special education for mentally or physically disabled persons • Stop-smoking programs • Transportation for needed medical care • Treatment at a drug or alcohol center (includes meals and lodging provided by the center) • Wages for nursing services • Weight loss, certain expenses for obesity	• Baby sitting and childcare • Bottled water • Contributions to Archer MSAs (see Pub. 969) • Diaper service • Expenses for your general health (even if following your doctor's advice) such as—Health club dues—Household help (even if recommended by a doctor)—Social activities, such as dancing or swimming lessons—Trip for general health improvement • Flexible spending account reimbursements for medical expenses (if contributions were on a pre-tax basis) • Funeral, burial, or cremation expenses • Health savings account payments for medical expenses • Operation, treatment, or medicine that is illegal under federal or state law • Life insurance or income protection policies, or policies providing payment for loss of life, limb, sight, etc. • Maternity clothes	• Medical insurance included in a car insurance policy covering all persons injured in or by your car • Medicine you buy without a prescription • Nursing care for a healthy baby • Prescription drugs you brought in (or ordered shipped) from another country, in most cases • Nutritional supplements, vitamins, herbal supplements, "natural medicines," etc., unless recommended by a medical practitioner as a treatment for a specific medical condition diagnosed by a physician • Surgery for purely cosmetic reasons • Toothpaste, toiletries, cosmetics, etc. • Teeth whitening • Weight-loss expenses not for the treatment of obesity or other disease

⚠ You can't include in medical expenses amounts you pay for controlled substances that aren't legal under federal law, even if such substances are legalized by state law.

(A) Entering Schedule A – Medical Expenses

Deductions>Itemized Deductions>Medical, Dental, and Vision Expenses; or Keyword: MED

1. To enter multiple expenses of a single type, click on the small blue icon to the right of each line. Enter the first description, the amount, and Continue. Enter the information for the next item. They will be totaled on the input line and carried to Schedule A.
2. If taxpayer has medical insurance through the Marketplace, remember to adjust the total premium after the PTC is calculated. Increase for APTC repayment (Schedule 2, line 1a), decrease for additional PTC (Schedule 3, line 9).
3. Enter number of miles. Standard mileage rate for medical purposes is 21 cents per mile driven for tax year 2025.
4. Qualified long-term care premiums up to the amounts shown below can be included as medical expenses on Schedule A, or in calculating the self-employed health insurance deduction. The limit on premiums is based on age of the insured person.
   - Age 40 or under: $480
   - Age 41 to 50: $900
   - Age 51 to 60: $1,800
   - Age 61 to 70: $4,810
   - Age 71 and over: $6,020



Medical and dental floor percentage is 7.5% of AGI.

Some senior residences as part of a life-care arrangement have an amount in the entry fee and monthly cost which is a medical expense. The residence should document that amount. Taxpayers can include in medical expenses the cost of medical care in a nursing home, home for the aged or similar institution. This includes the cost of meals and lodging if a principal reason for being there is to get medical care. This can also include qualified long-term care such as maintenance and personal care services if conditions are met as described under Qualified Long-Term Care Services in **Publication 502**.

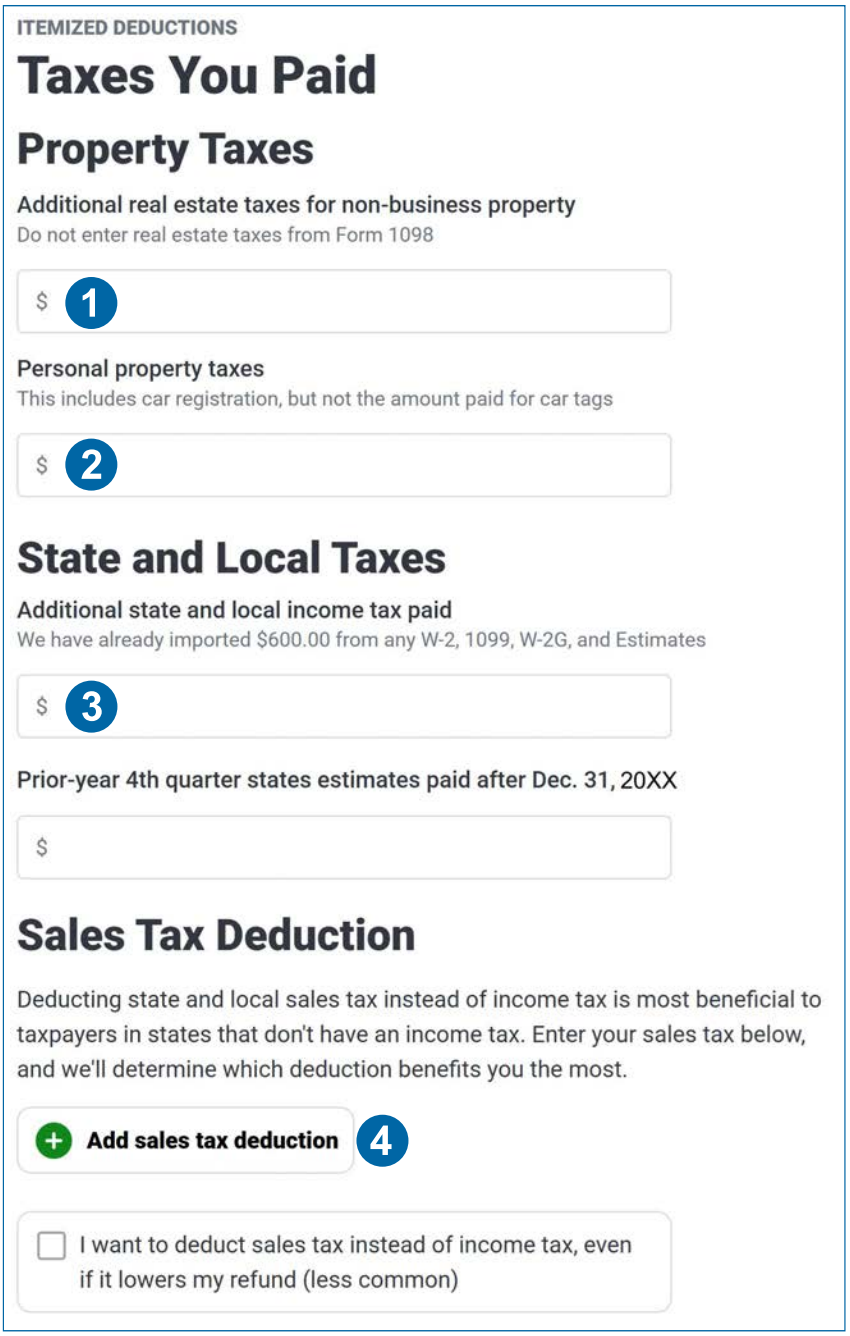
You can include parking fees and tolls under Other medical expenses even when you use the standard mileage rate.

Lodging for the purpose of obtaining medical care away from home is limited to $50 per person per night, up to $100 per day. See **Publication 502**, Medical and Dental Expenses.

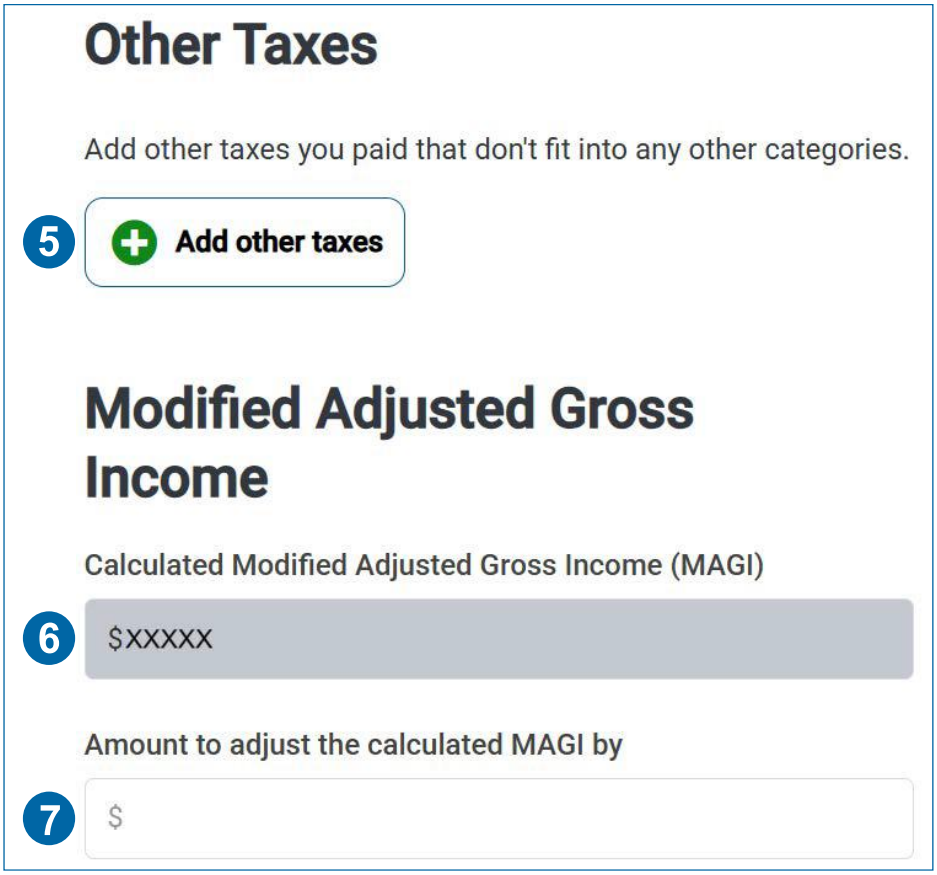
(A) Entering Schedule A – Taxes you Paid

Deductions>Itemized Deductions>Taxes You Paid; or Keyword: TAX

The itemized deduction for state and local taxes (SALT) (income, sales, and property taxes) is limited to a combined total deduction of up to $40,000 ($20,000 if Married Filing Separately) for 2025. This SALT deduction limit begins to phase down when the taxpayer's modified AGI (MAGI) exceeds $500,000 ($250,000 if MFS), but it will not go below $10,000 ($5,000 if MFS). MAGI for this purpose is the same as is calculated on **Schedule 1-A**, Part I.



1. Real estate taxes reported on Form 1098 can be entered on the Mortgage Interest and Expenses screen, see #7 on page F-15. Amounts entered there will be added to entries made here in the Real Estate Taxes box.
2. Enter vehicle license registration fee if based on value (ad valorem) under Personal Property taxes.
3. Enter amount paid with last year's state return and any other state and local income tax payments not entered elsewhere. Mandatory contributions to state disability, paid family leave programs, and certain other state programs qualify as state income taxes and should be included in the additional state and local income tax box if not automatically carried there by TaxSlayer. Sometimes these amounts are reported on Form W-2, Box 14. See **Instructions for Schedule A** for details.
4. Always add a sales tax deduction worksheet when itemizing deductions for states that have sales tax. Select **Add sales tax you paid** and then complete the worksheet that pops up. See page F-12 for details.



5. If taxpayers wish to deduct their foreign income taxes (instead of claiming a credit), select **Add other taxes** and describe as "Foreign Income." This is not subject to the up to $40,000 ($20,000 if Married Filing Separately) SALT limit.
6. Calculated MAGI is auto populated by TaxSlayer for its use when calculating sales tax (see next page).

   The MAGI on this screen is AGI plus nontaxable income. This is different from and does not affect the MAGI used to phase down the SALT deduction limit (see note at top of prior page).

7. Most nontaxable income already entered in TaxSlayer is automatically included in Calculated MAGI; e.g. the nontaxable portion of Social Security, tax exempt interest, the nontaxable portion of certain 1099-R distributions other than rollovers and 1035 exchanges, etc. Enter any additional nontaxable income *not already included in #6* that should be added for sales tax calculation purposes. For examples of nontaxable income, see page D-4 or the **Sales Tax Deduction Worksheet** in the **Colorado Resource Toolbox**.

If taxpayers purchased or sold a home in the tax year, they may not be able to deduct all Real Estate Taxes. See **Publication 17**, "Real Estate Taxes" section, for more information.

Taxes you cannot deduct: utilities, fees/licenses (drivers, marriage, dog); assessments for improvements that increase property value; assessments for services to the property (sewer, trash collection, etc.).

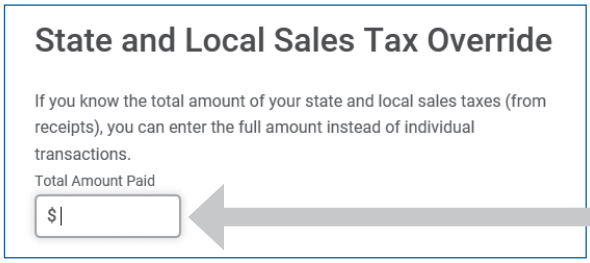
The following items aren't deductible on Schedule A: Federal income and excise taxes, Social Security or Medicare taxes, federal unemployment (FUTA), railroad retirement taxes (RRTA), customs duties, federal gift taxes, per capita taxes, or foreign real property taxes.

(A) Entering Schedule A – Sales Tax Deduction

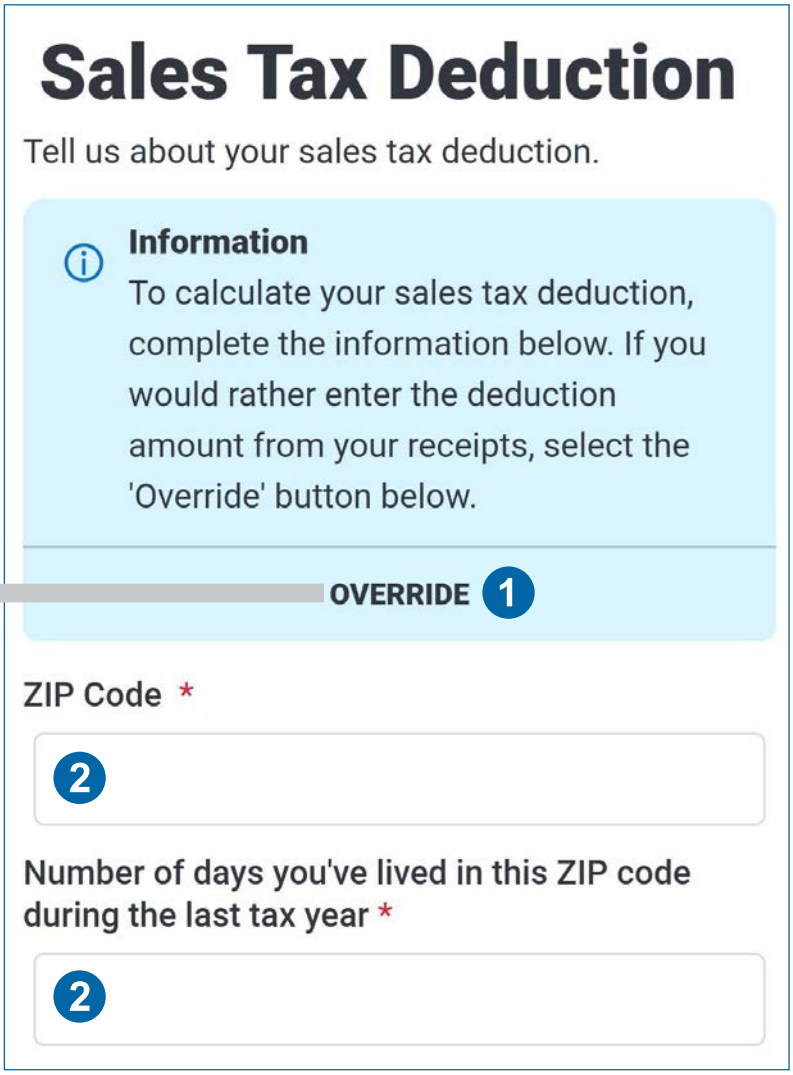
TaxSlayer will automatically select the greater of sales tax or state and local income tax.

1. It is generally simpler to adjust MAGI to let TaxSlayer calculate the sales tax deduction (see #7 on prior page). However, you can instead calculate this using the IRS **Sales Tax Deduction Calculator** with the aid of the **Sales Tax Deduction Worksheet** in the **Colorado Resource Toolbox**. Enter any non-taxable income item in either the worksheet or the IRS calculator, but not both.

   Use the override button to enter the amount calculated instead of completing the remaining fields on this screen.



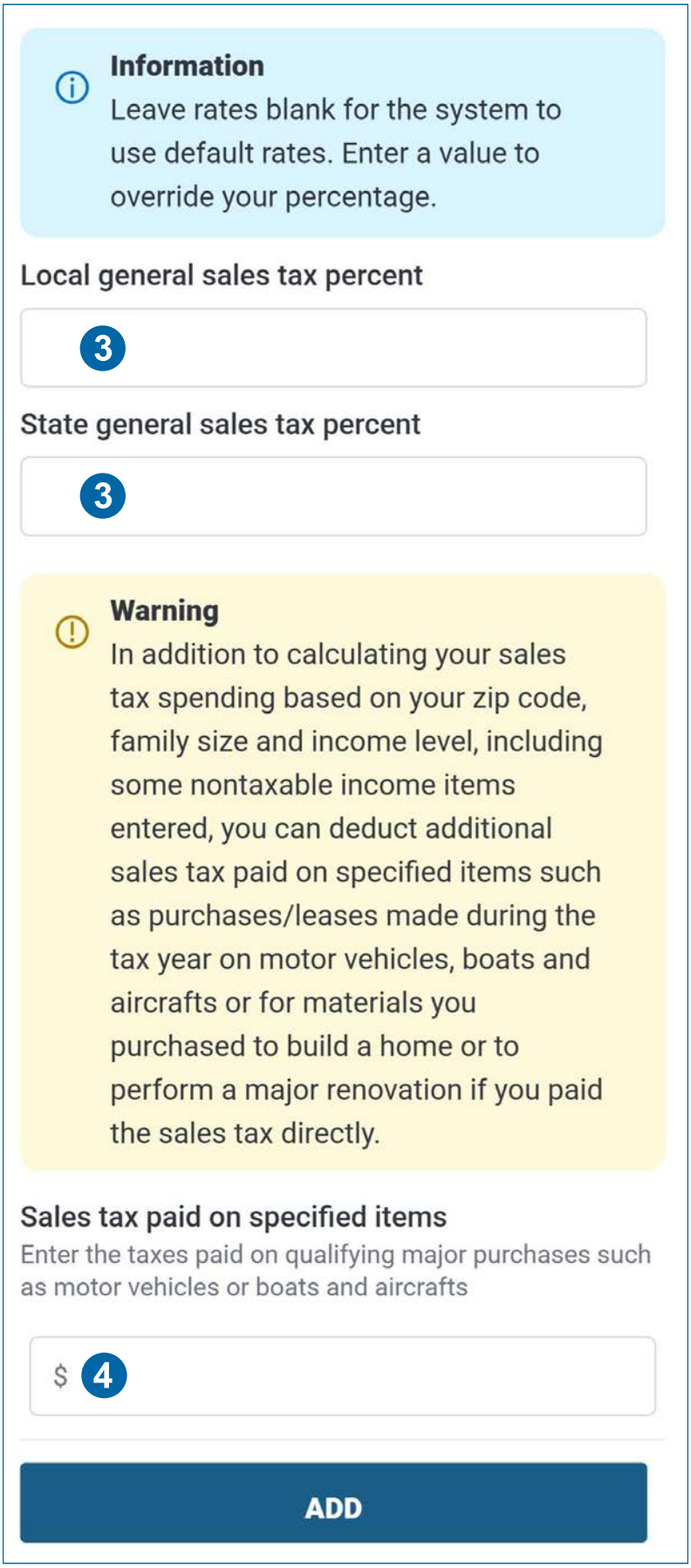
2. Enter the ZIP code and number of days the taxpayer lived in that ZIP code for TaxSlayer to calculate the deduction. If the taxpayer moved during the year, then after saving this worksheet you can select **Add sales tax you paid** again to enter an additional sales tax deduction worksheet.



Entering Schedule A – Sales Tax Deduction (cont'd)

3. Leave the local and general sales tax fields blank if you want the software to use the default rates for the zip code entered in #2 on the prior page.

4. Enter the amount of sales tax for specified large items purchased during the year (such as a motor vehicle) in the general sales taxes paid box. See **Instructions for Schedule A** for details.



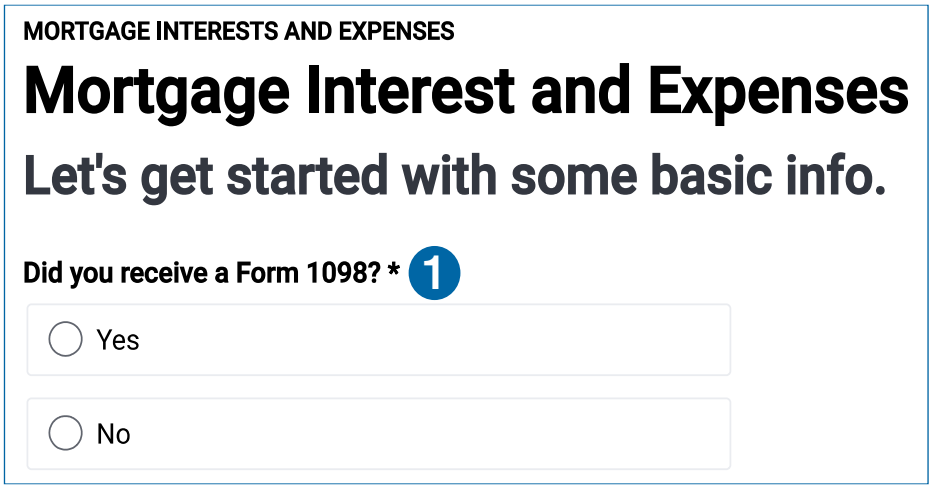
(A) Entering Schedule A – Mortgage Interest Paid

Deductions>Itemized Deductions>Mortgage Interest and Expenses; or Keyword: MORT

For mortgage acquisition debt secured after December 15, 2017, the amount of interest you can deduct is on no more than $750,000 of debt used to buy, build, or substantially improve your principal home and a second home ($375,000 in the case of married taxpayers filing separate tax returns) for tax years 2018 and later. See "Qualified Home" in **Publication 936** for requirements related to a second home.

If the taxpayer secured a mortgage for acquisition debt on or before December 15, 2017, the new tax law doesn't change the amount of the deductible mortgage interest (also applies if such debt is refinanced after 12/15/17, limited to the mortgage balance at the time of refinancing). Deductible interest remains limited to mortgage interest on up to $1 million ($500,000 MFS).

Points from refinancing must be spread over the life of the mortgage unless used to remodel (see section in **Publication 936**, Home Mortgage Interest Deduction, labeled "Points"). Enter loan origination fee from closing statement as points not reported on Form 1098 if not included as points on Form 1098.



1. Select **Yes** if the mortgage interest was reported on Form 1098, or **No** if not.

   If there are multiple mortgages, make separate Mortgage Interest and Expenses entries.

The deduction for home equity debt is disallowed as a mortgage interest deduction unless the home equity debt was used to build, buy, or substantially improve the taxpayer's qualified residence.

A reverse mortgage is a loan where the lender pays you (in a lump sum, a monthly advance, a line of credit, or a combination of all three) while you continue to live in your home. With a reverse mortgage, you retain title to your home. Depending on the plan, your reverse mortgage becomes due with interest when you move, sell your home, reach the end of a preselected loan period, or die. Because reverse mortgages are considered loan advances and not income, the amount you receive isn't taxable. Any interest (including original issue discount) accrued on a reverse mortgage isn't deductible until you actually pay it (usually when you pay off the loan in full). Also, a deduction of interest may be limited because a reverse mortgage generally is subject to the limit on home equity debt, which is not deductible unless the proceeds are used to buy, build, or substantially improve the home that secures the loan. If loan proceeds were used for a mixture of qualified and nonqualified purposes, then the taxpayer should be referred to a professional preparer.

Entering Schedule A – Mortgage Interest Paid (cont'd)

FORM 1098

Mortgage Interest Information

Let's get some details from your Form 1098.

BACK | CONTINUE

Before we begin, was the money from this loan used exclusively on this home?

- ◯ **Yes**, I've only used the loan to purchase, build, or upgrade the home it is secured by
- ◯ **No**, I've used some or all of this loan on something other than the home it's secured by **2**

Form 1098 Information

If a box is empty on your Form 1098, leave it blank below.

Lender's name *

1 - Mortgage interest received from payer/borrower

$ **3**

2 - Outstanding mortgage principal

$

3 - Mortgage origination date

MM/DD/YYYY

4 - Refund of overpaid interest

$ **4**

5 - Mortgage insurance premiums

$ **5**

6 - Points paid on purchase of principal residence

$ **6**

☐ 7 - Address of property securing mortgage is the same as payer's/borrower's address.

8 - Address or description of property securing mortgage

Country

United States

Address (street number & name)

Apartment, suite, unit number, etc.

ZIP code

City

State

Select

9 - Number of properties securing the mortgage

10 - Other

- ◯ Real estate taxes **7**
- ◯ Other
- ◯ None - box 10 is blank

11 - Mortgage acquisition date

MM/DD/YYYY

2. If you selected No, then the deduction for home mortgage interest may be limited. See Is My Home Mortgage Interest Fully Deductible? in **Publication 936**.
3. Enter the amount of Mortgage Interest from Form 1098, Box 1 that is deductible.
4. Amounts in Box 4 may be taxable (if so, enter the taxable portion on the Other Income screen). See the **NTTC 4491**, Income – Other lesson, Expense Recoveries. The **Taxable Refund and Recovery Calculator** in the **Colorado Resource Toolbox** can help determine the taxable portion of the recovery, if any.
5. Private mortgage insurance premiums are not deductible for 2025.
6. Enter the deductible portion of Box 6 here. See third paragraph on the prior page.
7. Real estate taxes entered here will be added to any real estate taxes entered on the Taxes You Paid screen.

(A) Entering Schedule A – Charitable Contributions

Deductions>Itemized Deductions>Gifts to Charity; or Keyword: CHARI

1. Enter amounts given by cash or cash equivalent under Cash Gifts to Charity. See **Publication 526** for definitions.
2. Enter the value of noncash items (including miles (14 cents per mile) driven in service to a charity) donated under Noncash Gifts to Charity. Be careful to list them separately. The $500 limit applies to the total, not each noncash contribution.
3. If noncash contributions are greater than $500, Form 8283, Noncash Charitable Contributions must be completed. This is Out of Scope for noncash contributions greater than $5,000 ($500 for a motor vehicle, boat, or airplane).

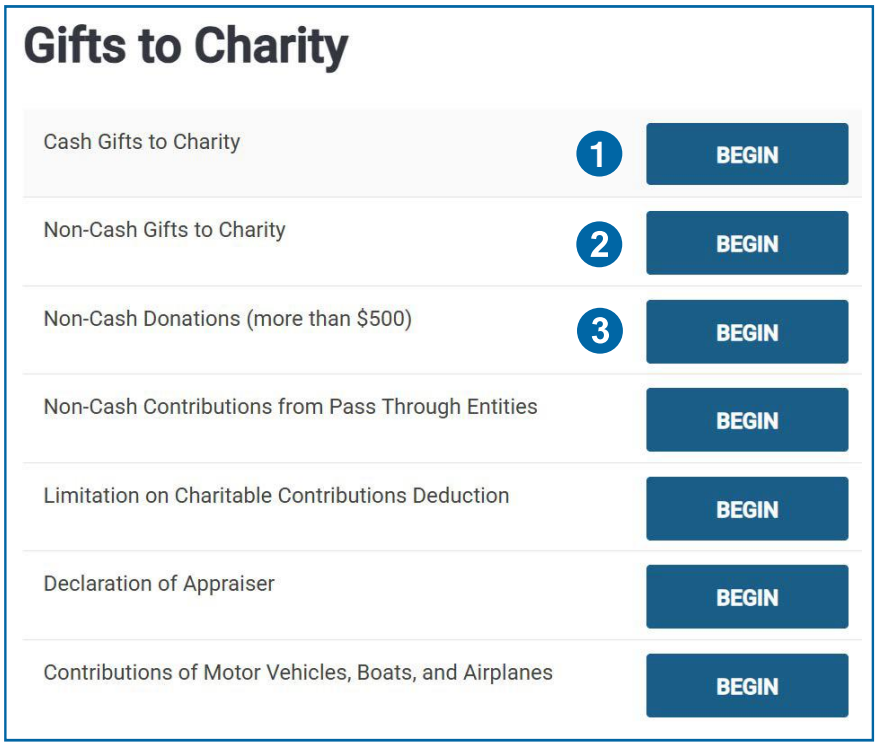


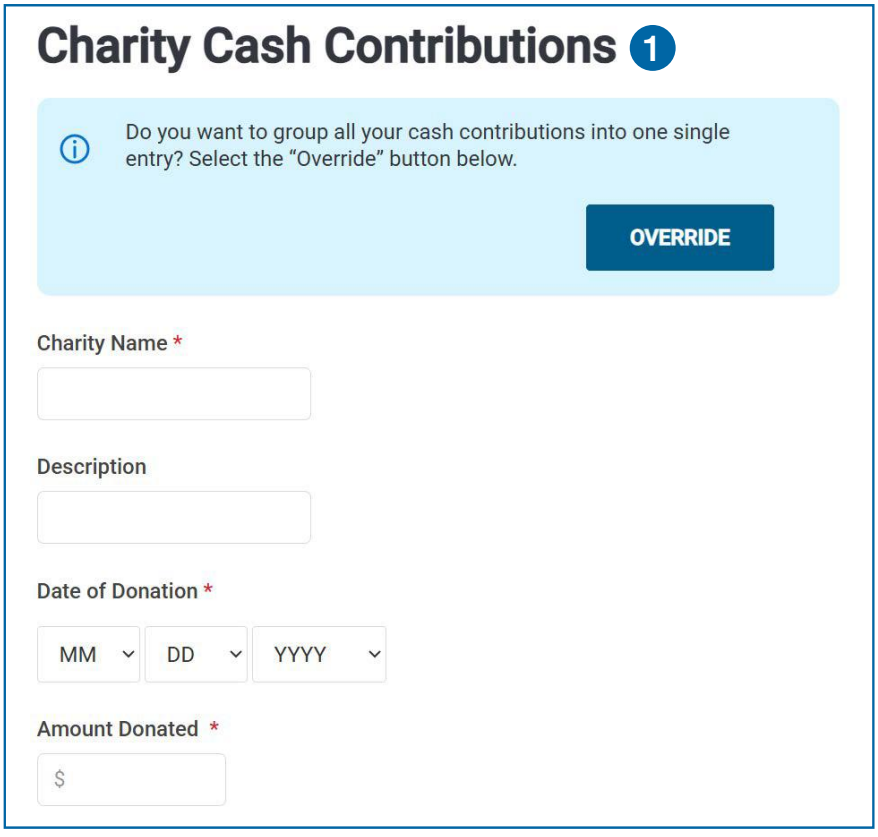
Although you can't deduct the value of your services given to a qualified organization, you may be able to deduct some volunteer expenses you pay in giving services to a qualified organization. The amounts must be:

- Unreimbursed;
- Directly connected with the services;
- Expenses you had only because of the services you gave; and
- Not personal, living, or family expenses.



Donations to the following are not deductible: specific individuals, political; country club/fraternal lodge; chambers of commerce; raffle, bingo, or lottery tickets; tuition; value of time/services; gifts to lobby groups; civic leagues, social clubs; labor unions, homeowners association dues.





To check if an organization is eligible to receive tax-deductible charitable donations, use the IRS **Tax Exempt Organization Search Tool**.

(A) Entering Schedule A – Other Itemized Deductions

Deductions>Itemized Deductions>Other Itemized Deductions

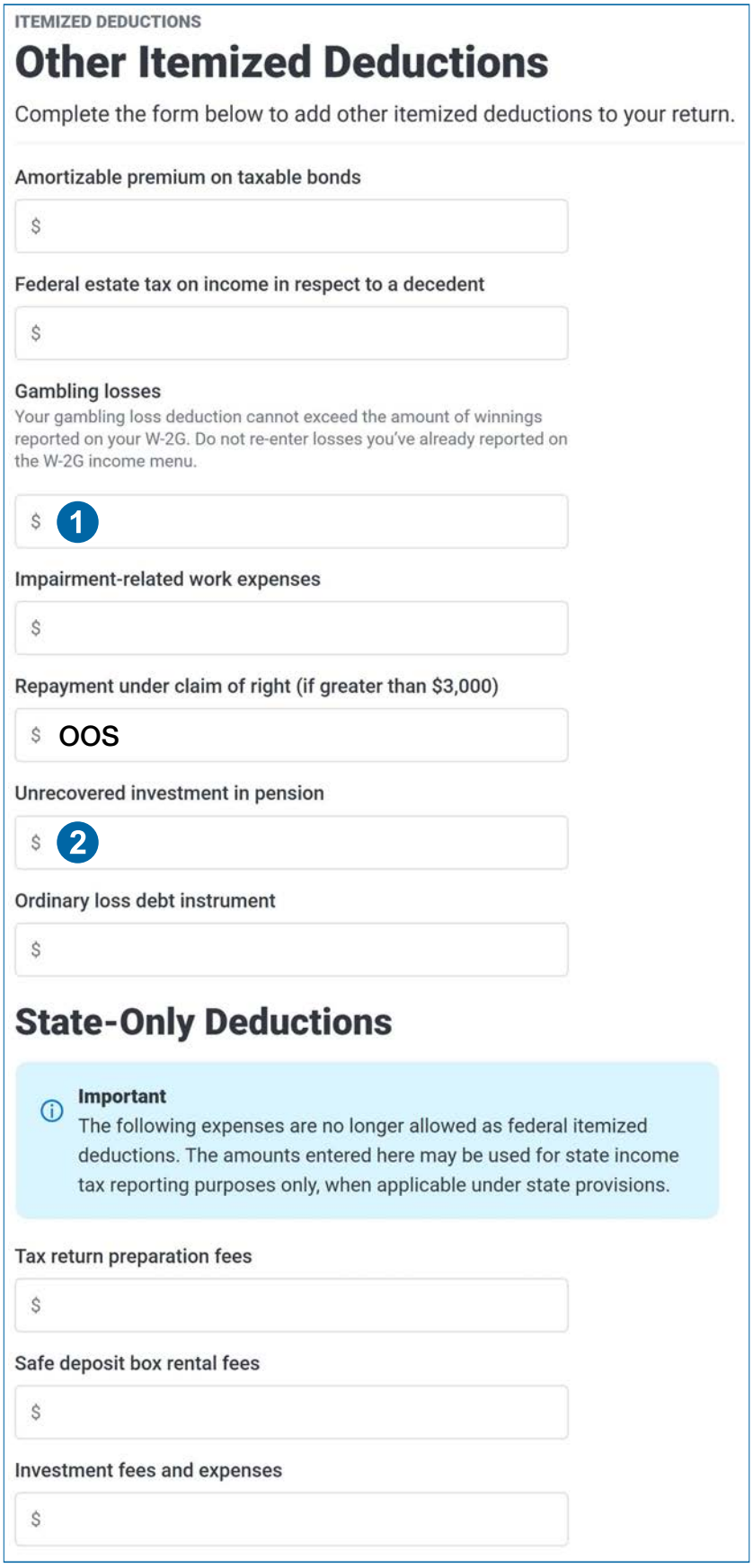
1. Gambling losses and expenses incurred in gambling activities up to the amount of winnings are deducted here. You can't deduct gambling losses that are more than the taxpayer's winnings.

2. A retired taxpayer who con-tributed to the cost of an annuity or pension can exclude from income a part of each payment received as a tax-free return of the investment If the retired taxpayer dies before the entire investment is recovered tax free, any unrecovered investment can be deducted on the retired taxpayer's final income tax return in the unrecovered investment pension box (applicable after the death of the second person for a joint and survivor annuity). Use the **Annuity/ Pension Exclusion Calculator** in the **Colorado Resource Toolbox** to determine the remaining unrecovered contributions that may be deducted.

Unrecovered Investment in pension = Total Employee Contribution less amount recovered using Simplified Method prior to death.

Nondeductible expenses: commuting; home repair; rent; loss from sale of home; personal legal expenses; lost/ misplaced cash or property; fines/ penalties.

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



(B/A) Qualified Business Income (QBI) Deduction

The QBI Deduction (QBID) is calculated by TaxSlayer when any of the following are entered:

- (B) Section 199A dividends on Form 1099-DIV
- (A) Section 199A dividends on a Schedule K-1
- (A) QBI from Schedule C

QBI is Out of Scope if taxable income before the QBI deduction exceeds $197,300 ($394,600 if MFJ). Sources of QBI not listed above are also OOS; e.g., Schedule E rentals treated as a business for purposes of Section 199A.

See **Publication 334**, Tax Guide for Small Business, for additional information.

(A) Entering a Negative QBI Adjustment for Self-Employment Tip Income

Schedule C>Qualified Business Income Deduction> Qualified Business Income Adjustment Amount

After making all needed No Tax on Tips screen entries, a **negative** QBI adjustment must be entered for each Schedule C with tip income at the navigation shown above. In the most common case where **all qualified tips are from a single Schedule C and there are no W-2 tips,** enter a negative QBI adjustment equal to the lesser of $25,000 or the tips amount that was entered on the No Tax on Tips screen. However, if the MAGI phaseout for the qualified tips deduction applied, instead enter the amount from Schedule 1-A, line 13 as the negative QBI adjustment.

If qualified tips also came from a second Schedule C or a W-2, determine the adjustment separately for each Schedule C, applying the first applicable rule below to each. A completed Schedule 1-A PDF or printed page 1 is needed for reference.

- **Schedule 1-A, line 6 equals line 13:** Enter a negative QBI adjustment equal to the amount of tips from this Schedule C that was included in the No Tax on Tips Screen entry. In this case, neither the $25,000 limit nor MAGI phaseout applied.
- **Schedule 1-A, line 4c is greater than or equal to line 13:** Do not enter an adjustment; the adjustment is $0. This occurs when the entire $25,000 or MAGI phaseout reduced limit is attributable to W-2 tips.
- Otherwise:
  - Calculate **A** as Qualified tips from this Schedule C **divided by** Schedule 1-A, line 5;
  - Calculate **B** as Schedule 1-A, line 13 **minus** Schedule 1-A, line 4c;
  - Enter **A multiplied by B** as a negative QBI adjustment**.**

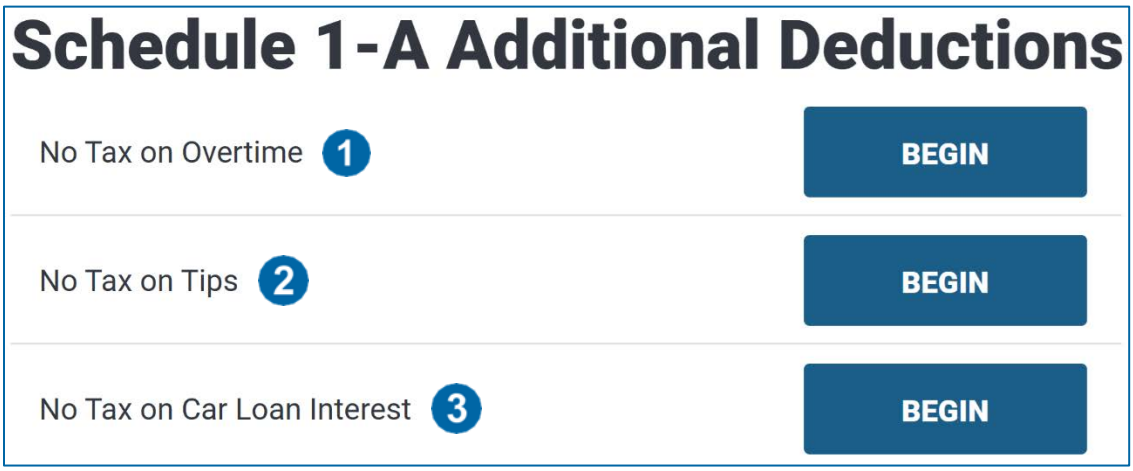
(A) Carryforward of QBI losses

If TaxSlayer carries forward prior year data, it will include QBI loss carryforwards from Form 8995 lines 16 and 17. Use the following navigation if these QBI loss carryforwards need to be entered manually:

Deductions>Qualified Business Income Deduction>Prior Year Qualified Business Loss Carryforward; or Keyword: QBI

(B/A) Schedule 1-A – Additional Deductions

Deductions>Additional Deductions; or Keyword: 1-A



The four additional deductions on Schedule 1-A are available to both itemizing and non-itemizing taxpayers from TY2025 through TY2028. For more details, see Tax-Aide's **NTTC 4491**, *Deductions* Lesson, IRS **FS-2025-03** and the **Form 1040 Instructions**.

1. See page F-21 for the qualified overtime compensation deduction (No Tax on Overtime).
2. See next page for the qualified tips deduction (No Tax on Tips).
3. See page F-22 for the qualified passenger vehicle loan interest deduction (No Tax on Car Loan Interest).

(B) Enhanced Deduction for Seniors

TaxSlayer automatically calculates the enhanced deduction for seniors on **Schedule 1-A**, Part V, when applicable. This additional deduction of up to $6,000 may be claimed by each eligible taxpayer (and/or spouse if filing jointly) who are age 65 or older at the end of the tax year; i.e., born before January 2, 1961 for TY2025. This is in addition to the increased standard deduction for taxpayers age 65 or older (see page F-4).

MFS Eligibility, SSN Requirement, Maximum Deduction, and Phaseout

The table below summarizes Married Filing Separately (MFS) eligibility, if a valid SSN is required, the maximum deduction, and the MAGI above which phaseout begins for each of the four additional deductions. MAGI is calculated automatically by TaxSlayer on **Schedule 1-A**, Part I.

Additional Deduction	MFS is Eligible?	Valid SSN Required?[1]	Maximum Deduction	Phaseout Start
Qualified Overtime Compensation Deduction	No	Yes[2]	$12,500 ($25,000 if MFJ)	$150,000 ($300,000 if MFJ)
Qualified Tips Deduction	No	Yes[2]	$25,000	$150,000 ($300,000 if MFJ)
Qualified Vehicle Loan Interest Deduction	Yes	No	$10,000	$100,000 ($200,000 if MFJ)
Enhanced Deduction for Seniors	No	Yes[3]	$6,000 ($12,000 if MFJ and both spouses qualify)	$75,000 ($150,000 if MFJ)

[1] A valid SSN is one that is valid for employment and issued before the due date of the return (including extensions).

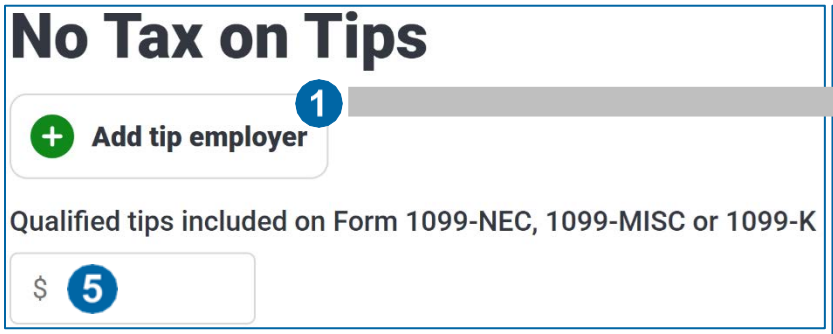
[2] On an MFJ return, the spouse earning the tips or overtime compensation must have a valid SSN.

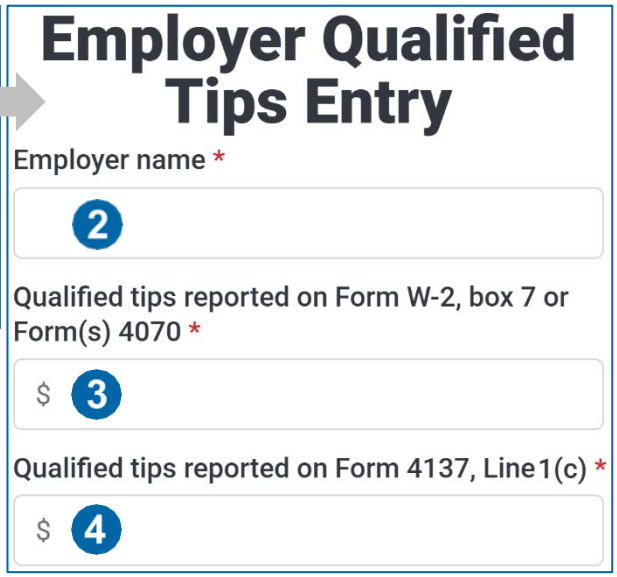
[3] On an MFJ return, the spouse claiming the enhanced deduction for seniors must have a valid SSN.

(A) Qualified Tips Deduction

Deductions>Additional Deductions>No Tax on Tips; or Keyword: No Tax

The NTTC **Qualified Tips Deduction Worksheet for Employees** and **Qualified Tips Deduction Worksheet for Self-Employed Workers** help taxpayers document their qualified tips and guides Counselors on the correct TaxSlayer entries. For a full discussion and examples, see Tax-Aide's **NTTC 4491**, *Deductions* Lesson, *Qualified tips deduction*.





Qualified tips are voluntary cash or charged tips received from customers or through tip-sharing arrangements. Mandatory service charges and negotiated amounts do not qualify. The taxpayer must confirm they received these tips in an occupation listed at **IRS.gov/TippedOccupations**.

A valid SSN is required for this deduction (on **MFJ** returns, the spouse who earned the tips must have a valid SSN). **MFS** filers are not eligible.

- Employees may deduct qualified tips included on Form W-2 or directly reported by them on Form 4137.
- Self-employed workers may deduct qualified tips only if included on Forms 1099-NEC, 1099-MISC, or 1099-K. Tips not reported on one of these Forms 1099 are not qualified tips. The taxpayer must use their records to determine the amount of this Form 1099 reported income that is qualified tips; e.g. receipts, daily tips logs, third party settlement organization records, etc.

1. Click **Add tip employer** for tips earned as an employee. After completing that entry, if applicable, click **Add another tip employer** to separately enter tips for additional employers.
2. Enter the employer's name as show on Form W-2.
3. Enter qualified tips from Form W-2 in box 7, or reported by the employer in box 14 or a separate statement. **Do not** enter allocated or unreported tips here. For employees earning more than $176,100, if the total tips they reported to their employer on Forms 4070 or equivalent was greater, enter that instead.
4. Leave blank if no allocated or unreported tips were entered for this W-2. Otherwise, enter qualified tips included in column 1(c) of Form 4137 for the employer, which is the sum of Form W-2 screen entries for box 7, box 8, and unreported tips. The greater of #3 or #4 will be used for this deduction.
5. **Self-Employment Tips from Forms 1099:** Enter qualified tips reported on Schedule C that are included on Form 1099-NEC, box 1; 1099-MISC, box 3; or 1099-K, box 1a. Manually limit this amount to Schedule C, line 31, reduced by the related self-employment tax deduction and related Self-Employed Health Insurance (SEHI) deduction. For multiple businesses, figure separately for each Schedule C and enter the total in #5.

   Tip income from #5 must be manually excluded from Qualified Business Income separately for each Schedule C. See Entering a Negative QBI Adjustment for Self-Employment Tip Income on page F-18.

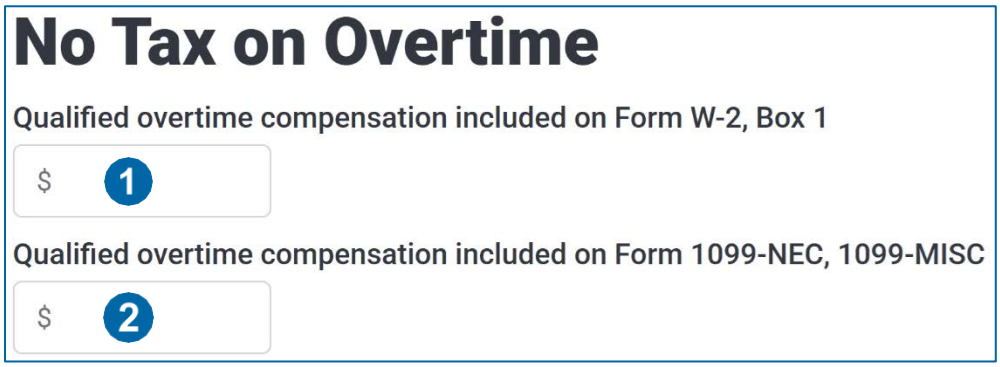
For TY2025, Forms W-2, 1099-NEC, 1099-MISC, and 1099-K were not updated to separately identify tips that may qualify for this deduction, or the occupation of the tip recipient.

(A) Qualified Overtime Compensation Deduction

Deductions>Additional Deductions>No Tax on Overtime; or Keyword: No Tax

An employee can rely on an employer provide amount of qualified overtime compensation; e.g., on a statement, year-end pay stub, Form W-2 in box 12 with code TT or in box 14, etc. Otherwise, the NTTC **Qualified Overtime Deduction Worksheet** can help taxpayers calculate their qualified overtime *for straightforward situations*. For a full discussion and examples, see Tax-Aide's **NTTC 4491**, *Deductions* Lesson, *Qualified overtime deduction*. See IRS **Fact Sheet 2026-01** for FAQ.

While Counselors may assist with simple mathematics, it is the taxpayer's responsibility to determine and document their amount of qualified overtime compensation, if any. If the taxpayer is not able to provide the information, the return can be filed without the deduction (and amended later when accurate information is provided) or they can choose to use the services of a professional preparer.



Eligible individuals may deduct the amount of qualified overtime compensation received and included on Forms W-2, 1099-NEC, or 1099-MISC in the boxes indicated below. A valid SSN is required for this deduction (on **MFJ** returns, the spouse who earned the overtime must have a valid SSN). **MFS** filers are not eligible.

1. Enter the sum of qualified overtime compensation included on Form W-2, box 1 for all employers.

   Qualified overtime compensation includes only the ½-time overtime premium paid as required under the Fair Labor Standards Act (FLSA) for hours worked in excess of 40 in a workweek (or other applicable FLSA threshold). Compensatory time off in lieu of cash payment also qualifies, but only the ½-time premium portion (the extra ½ hour of comp time for each overtime hour worked).

   The following are **not** qualified overtime compensation:

   - Any portion of an overtime premium paid above time-and-a-half.
   - Overtime paid to an employee exempt from the FLSA (FLSA-ineligible employees)
   - Overtime paid beyond what the FLSA requires. e.g., overtime paid without regard to whether the hours exceeded the 40-hour weekly or other applicable FLSA threshold, such as overtime paid solely for working weekends, holidays, off-hours, hours worked in excess of 8 hours in a day, etc.
   - Tips that qualify for the qualified tips deduction.

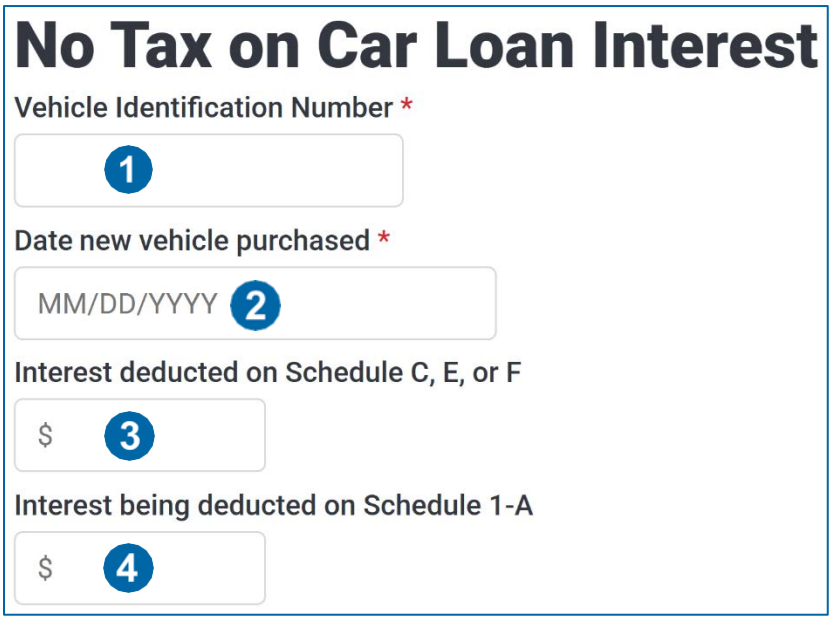
2. Enter the sum of qualified overtime compensation included on Form 1099-NEC, box 1, or Form 1099-MISC, box 3.

For TY2025, qualified overtime was not required to be separately accounted for on Forms W-2, 1099-NEC, or 1099-MISC.

(A) Qualified Passenger Vehicle Loan Interest Deduction

Deductions>Additional Deductions>No Tax on Car Loan Interest; or Keyword: No Tax

The NTTC **Qualified Passenger Vehicle Loan Interest Deduction Worksheet** helps taxpayers determine if their vehicle and loan qualify for this deduction. For a full discussion of this deduction and examples, see Tax-Aide's **NTTC 4491**, *Deductions* Lesson, *Qualified passenger vehicle loan interest deduction*.



Taxpayers may be able to claim this deduction if they (or their spouse if filing jointly) paid qualified passenger vehicle loan interest (QPVLI) in 2025 (see note on next page). If the taxpayer has multiple vehicles for this deduction, enter them separately in TaxSlayer. Unlike the other three additional deductions, MFS filers are eligible for this deduction and a Social Security number is not required.

1. Enter the 17-digit Vehicle Identification Number (VIN) for the applicable passenger vehicle (APV). See note on next page.

   Tax-Aide Best Practice: Reference a preprinted document with the VIN and use the NHTSA **VIN Decoder** to confirm the VIN has been entered correctly (copy & paste the VIN from there to TaxSlayer). The VIN Decoder can also be used to determine the location of final assembly and the gross vehicle weight rating (GVWR).

2. This date will not be reported on Schedule 1-A, but TaxSlayer will use it to confirm the loan origination date is after December 31, 2024.

3. If applicable, enter the amount of this vehicle's interest deducted on Schedule C or E. If deducted on Schedule E, Military Certification is required and scope limitations apply. Schedule F is Out of Scope.

4. Enter the amount of qualified passenger vehicle loan interest to deduct on Schedule 1-A. Any interest deducted on Schedule C, E, or F must be excluded.

For TY2025, lenders and other recipients of this interest may report the total amount of interest received on a printed or online statement made available to the borrower. This can be a separate statement, a YTD amount reported on the final statement of the year, etc. The use of **Form 1098-VLI** to report the receipt of $600 or more in specified passenger vehicle loan interest will not be required until TY2026.

Qualified Passenger Vehicle Loan Interest Deduction (continued)

Applicable Passenger Vehicle (APV). In general, an APV is any vehicle that meets all of the following conditions:

- The original use of the vehicle starts with you (a used vehicle does not qualify);
- The vehicle has undergone final assembly in the United States;
- The vehicle is a car, minivan, van, SUV, pickup truck, or motorcycle with a gross vehicle weight rating (GVWR) of less than 14,000 pounds;
- The vehicle is a motor vehicle manufactured primarily for use on public streets, roads, and highways (not including a vehicle operated exclusively on a rail or rails); and
- The vehicle has at least 2 wheels.

Qualified passenger vehicle loan interest (QPVLI). To qualify for the QPVLI deduction, the interest must be paid or accrued on a loan that meets all the following requirements:

- Your loan was originated by you and after December 31, 2024;
- The proceeds from your loan were used to purchase an APV (lease payments do not qualify);
- The APV was purchased for personal use (see next note); and
- The loan is secured by a first lien on the purchased APV.

Personal use. Personal use means a use other than:

- Use in any business (except while performing services as an employee), or
- For the production of income.

Commuting mileage is personal use. You are considered to have purchased an APV for personal use if, at the time of purchase and considering your entire expected ownership period, you expect the APV to be used for personal use more than 50% of the time by you and/or any combination of individuals with certain relationships to you. These individuals include your spouse; your or your spouse's child, grandchild, parent, or sibling; as well as any individual who shares your main home and is a member of your household.

Loan amount. Indebtedness incurred to finance the purchase price of the APV, as well as items or amounts that are customarily financed in an APV purchase and directly related to the purchased APV can be counted in determining QPVLI. For example, this includes vehicle service plans, extended warranties, sales tax, and vehicle-related fees. Interest on items and services not directly related to the APV purchase or not customarily financed in an APV purchase transaction are ineligible for the deduction, such as liability insurance, a trailer, or debt on a vehicle trade-in (so-called negative equity).

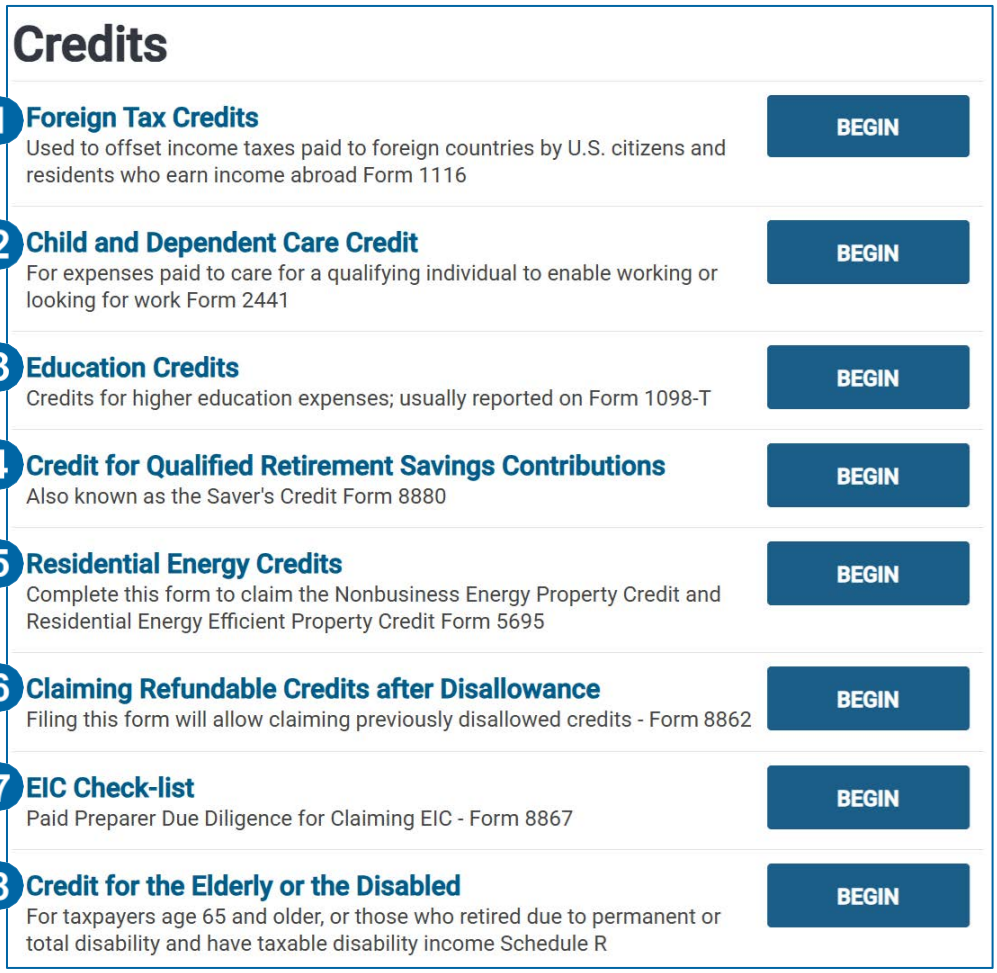
Refinanced loan. If a loan with QPVLI is later refinanced, interest paid on the refinanced amount is generally eligible for the deduction, so long as the new loan is secured by a first lien on the APV with respect to which the refinanced loan was incurred. The amount is limited to the outstanding balance of the refinanced loan as of the date of the refinancing.

Tab G: Nonrefundable Credits

Nonrefundable Credits

Federal Section>Deductions>Credits

1. (I) Select for Foreign Tax Credit, Form 1116. See page G-8.
2. (B) Select for Child and Dependent Care Expenses, Form 2441. See page G-12 and Screening Sheet on page G-13.
3. (B) Select for Education Credits, Form 8863. For complete education credit information refer to Tab J, Education Benefits.
4. (B) Select for Credit for Qualified Retirement Savings Contributions, Form 8880. Complete this screen if taxpayer (or spouse if MFJ) made any contributions to a qualified retirement plan. See page G-17.
5. (A) Select for Residential Energy Credits, Form 5695. See page G-26.
6. (B) See page I-8, Disallowance of Certain Credits.



Various Out of Scope credits are excluded from this screenshot.

7. EIC checklist is not required for VITA/TCE.
8. (B) Select for Credit for the Elderly or the Disabled, Schedule R, if taxpayer qualifies. See Screening Sheet on page G-22.

Nonrefundable credits can't exceed the taxpayer's federal income tax.

(B) Child Tax Credit (CTC)

Make sure the taxpayer's credit hasn't been disallowed previously. If previously disallowed, see **Form 8862**, Information To Claim Certain Credits After Disallowance, on page I-8.

Use the **Qualifying Child or Relative Resource Tool** or the **Dependent Qualification Calculator** in the **Colorado Resource Toolbox** to determine all the benefits for a taxpayer.

This is a credit intended to reduce tax. This part of the credit isn't refundable. The credit is up to $2,200 per qualifying child and calculates automatically based on entries in the Basic Information screens. To claim the CTC or ACTC on your original or amended return, you must have a valid Social Security number, which means it must be valid for employment and issued before the due date of the return (including extensions). If filing jointly, only one spouse is required to have a valid SSN to be eligible for the CTC and ACTC. The other spouse must have either an SSN or ITIN, and it must have been issued on or before the due date of the return.

If an ITIN is applied for on or before the due date of the return (including extensions) and the IRS issues an ITIN as a result of the application, the IRS will consider the ITIN as issued on or before the due date of the return.

Qualifying child:

1. Under age 17 at the end of the tax year.
2. A U.S. citizen or U.S. national[1] or resident alien of the United States. See Tab L, Resident/NR Alien.
3. Child must be claimed as your dependent.[2]
4. Your:
   a. child, adopted child, stepchild, eligible foster child, or a descendant of any of them
   b. sibling, half sibling, stepsibling, or a descendant of any of them (for example, your niece or nephew)
5. Didn't provide over half of his or her own support.
6. Lived with the taxpayer for more than half of the tax year.[3]
7. Must have a Social Security number that is valid for employment issued before the due date of the return, including extensions.

If the taxpayer is able to claim the dependent under the rules for divorced and separated parents, he or she is the only parent entitled to claim the child tax credit or additional child tax credit.

Schedule 8812 (Form 1040), Credits for Qualifying Children and Other Dependents, is intended to be filed by all taxpayers claiming the child tax credit, the additional child tax credit, or the credit for other dependents. See Tab C, Dependents, for additional information (including definitions and special rules relating to an adopted child, foster child, or qualifying child of more than one person).

Footnotes

1. A national is an individual who, although not a U.S. citizen, owes his or her allegiance to the United States. U.S. nationals include American Samoans and Northern Mariana Islanders who chose to become U.S. nationals instead of U.S. citizens. If you are a U.S. citizen or U.S. national and your adopted child lived with you all year as a member of your household, that child meets the citizen test.
2. Refer to the tables in Tab C, Dependents, for the rules governing who may be claimed as a dependent.
3. A child is considered to have lived with you for all of the current tax year if the child was born or died in the tax year and your home was this child's home for more than half the time he or she was alive. Temporary absences for special circumstances, such as for school, vacation, medical care, military service, or incarceration, count as time lived at home. If applicable, see Publication 501, Kidnapped child (under Residency Test).

(B) Additional Child Tax Credit (ACTC) – General Eligibility

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

- Taxpayers with more than $2,500 of taxable earned income may be eligible for the additional child tax credit if they have at least one qualifying child.
- Taxpayers with three or more children may also be eligible for additional child tax credit regardless of their income.
- Limited to $1,700 per qualifying child.



The IRS cannot issue refunds before mid-February for returns that claim the earned income credit (EIC) or the ACTC.



Taxpayers may not file an amended return to retroactively claim the additional child tax credit for a qualifying child if a valid SSN for the child is issued after the due date of the tax return.



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



See Disallowance of Certain Credits on page I-8, if the taxpayer received a letter saying they had to complete Form 8862.

Table 1: Does Your Qualifying Child Qualify You for the Child Tax Credit or Credit for Other Dependents?

Remember to apply the steps for each dependent. To claim the child tax credit and/or the credit for other dependents, you can't be a dependent of another taxpayer.

Step	Probe/Ask the taxpayer:	Action
1	Is this person your qualifying child dependent? See page C-5, Table 1: All Dependents	If **YES**, go to Step 2. If **NO**, you can't claim the child tax credit for this person. This person may qualify for the credit for other dependents, go to Table 2 on the next page.
2	Did the child have an SSN, ITIN, or adoption taxpayer identification number (ATIN) issued on or before the due date of your return (including extensions)? (Answer "Yes" if you are applying for an ITIN or ATIN for the child on or before the due date of your return (including extensions.)	If **YES**, go to Step 3. If **NO**, you can't claim the child tax credit or the credit for other dependents for this child.
3	Was the child a U.S. citizen, U.S. national, or U.S. resident alien? (See **Pub. 519**, U.S. Tax Guide for Aliens, for the definition of a U.S. national or U.S. resident alien. If the child was adopted, see Exception to citizen test, below.)	If **YES**, go to Step 4. If **NO**, you can't claim the child tax credit or the credit for other dependents for this child.
4	Was the child under age 17 at the end of 2025?	If **YES**, go to Step 5. If **NO**, you can't claim the child tax credit for this person. This person may qualify for the credit for other dependents, go to Table 2 on the next page.
5	Did you, or your spouse if filing a joint return, **and** this child have SSNs valid for employment and issued before the due date of the return (including extensions)?	If **YES**, you can claim the child tax credit for this person. Use Schedule 8812 to calculate the credit. If **NO**, you can't claim the child tax credit for this person. This person may qualify for the credit for other dependents, go to Table 2 on the next page.

Modified Adjusted Gross Income Limits

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

Children of Divorced or Separated Parents

If the noncustodial parent can claim the child as a dependent, the noncustodial parent can also claim the child as a qualifying child for the child tax credit, the credit for other dependents, or the additional child tax credit.

Exception to Citizen Test

If you are a U.S. citizen or U.S. national and your adopted child lived with you all year as a member of your household, that child meets the citizen test.

(B) Credit for Other Dependents (ODC)

The $500 nonrefundable ODC is available for dependents who don't qualify for the child tax credit, such as children who are age 17 and above, dependents with other relationships (such as elderly parents), or children who do not have a valid SSN. The dependent must be a U.S. citizen, U.S. national, or resident of the U.S. Taxpayers cannot claim the credit for themselves or their spouse. The dependent must have an SSN, ITIN, or ATIN issued on or before the due date of the return (including extensions).

To claim the ODC on your original or amended return, you (and your spouse if filing jointly) must have either an SSN or ITIN issued on or before the due date of the return (including extensions).



Dependents who are not U.S. citizens or U.S. nationals, but are residents of Canada or Mexico do not qualify for either the Child Tax Credit or the Credit for Other Dependents.



If an ITIN is applied for on or before the due date of the return (including extensions) and the IRS issues an ITIN as a result of the application, the IRS will consider the ITIN as issued on or before the due date of the return.



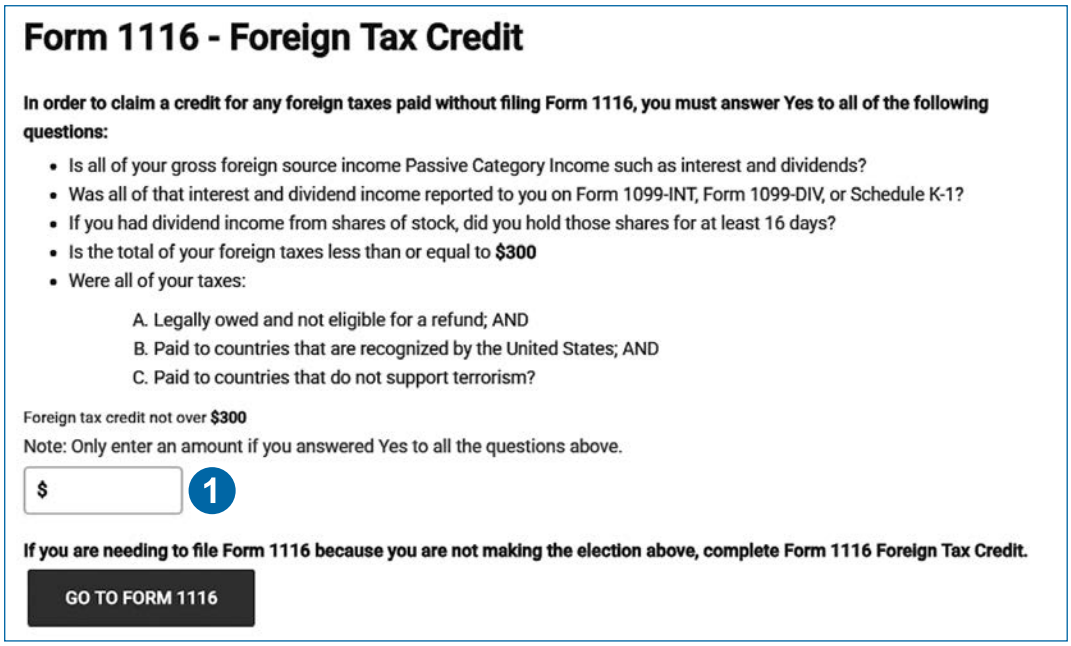
If previously disallowed, see Disallowance of Certain Credits on page I-8 to complete Form 8862.

Table 2: Does Your Qualifying Relative Qualify You for the Credit for Other Dependents?

Step	Probe/Ask the taxpayer:	Action
1	Is this person your qualifying relative dependent? See page C-6, Table 2: Qualifying Relative Dependents.	If **YES**, go to Step 2. If **NO**, you can't claim the credit for other dependents for this person.
2	Did you, and your spouse if filing a joint return, have either an SSN or ITIN issued on or before the due date of your 2025 return (including extensions)? (Answer "Yes" if you are applying for an ITIN on or before the return due date (including extensions).)	If **YES**, go to Step 3. If **NO**, you can't claim the credit for other dependents for this person.
3	Did your qualifying relative have a SSN, ITIN, or ATIN issued on or before the due date of your 2025 return (including extensions)? (Answer "Yes" if you are applying for an ITIN or ATIN for the qualifying relative on or before the return due date (including extensions).)	If **YES**, go to Step 4. If **NO**, you can't claim the credit for other dependents for this person.
4	Was your qualifying relative a U.S. citizen, U.S. national, or U.S. resident alien?	If **YES**, you can claim the credit for other dependents for this person. If **NO**, stop. You can't claim the credit for other dependents for this person.

(I/PR) Entering Form 1116 – Foreign Tax Credit

Deductions>Credits Menu>Foreign Tax Credit; or Keyword: 1116



Both the tax return preparer and quality reviewer must have International or Puerto Rico certification to prepare Form 1116.

With Basic or Advanced certification, the Foreign Tax Credit is only in scope when making the simplified limitation Election to Claim the Foreign Tax Credit Without Filing Form 1116. To be eligible to make this election, all of the following must be true:

- the total of all foreign taxes paid/withheld is $300 ($600 if MFJ) or less,*
- all foreign source income is passive category (which includes most interest and dividends),
- all the foreign taxes paid were reported on a Form 1099-DIV, Form 1099-INT, Schedule K-1 (Advanced certification required), or similar substitute statements, and
- taxpayer meets the other requirements as explained in **Instructions for Form 1116**.

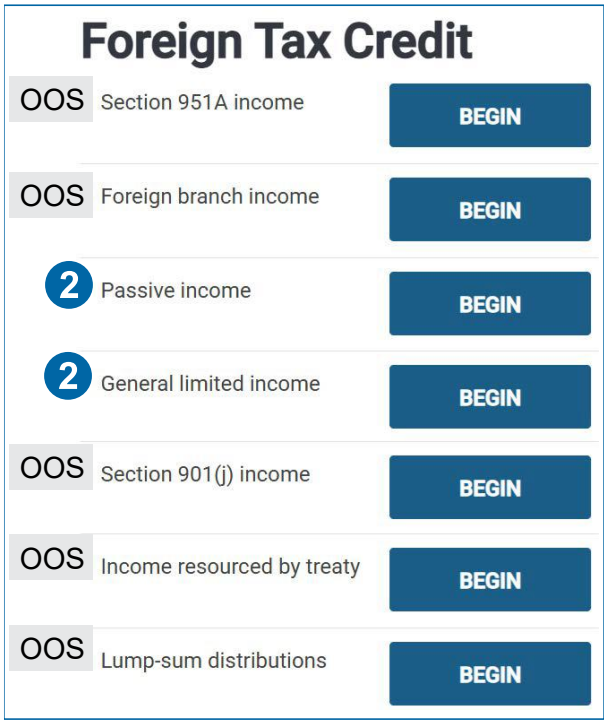
1. Foreign taxes from Form K-1 should be entered here. Make entries for amounts on Forms 1099-INT and 1099-DIV on those screens, not here (TaxSlayer will include these entries in the foreign tax credit calculation).

If the taxpayer has a carryback or a carryforward of unused foreign tax, the return is Out of Scope.

(A) Foreign income tax is also eligible to be claimed on Schedule A as an itemized deduction. While that is an option, foreign tax claimed as a credit is generally more advantageous for taxpayers.

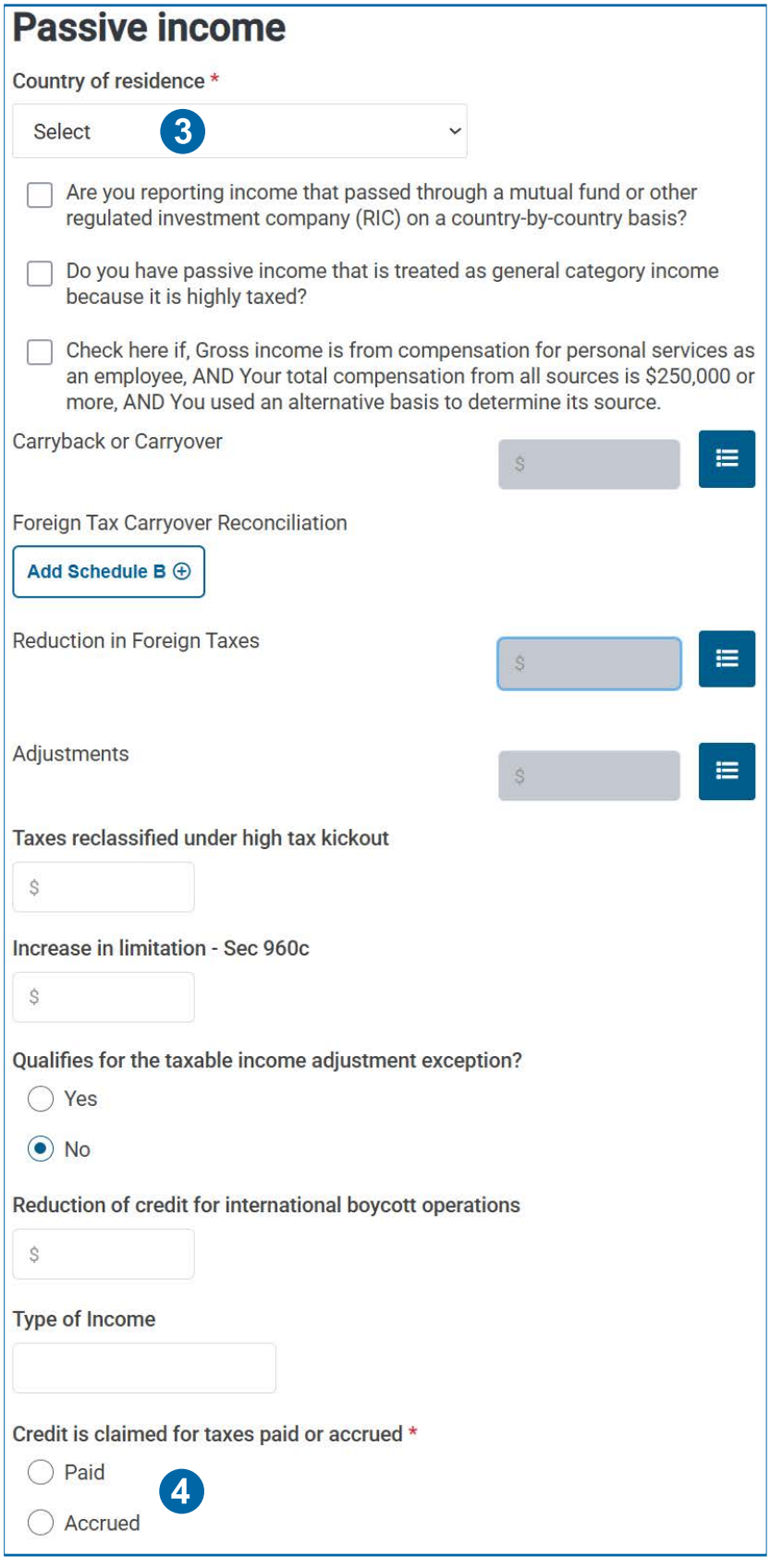
* The $300 ($600 if MFJ) limit applies to "total creditable foreign taxes." Omitting the reporting of some foreign taxes to remain under this limit does not enable use of the Election to Claim the Foreign Tax Credit Without Filing Form 1116.

Entering Form 1116 – Foreign Tax Credit (cont'd)

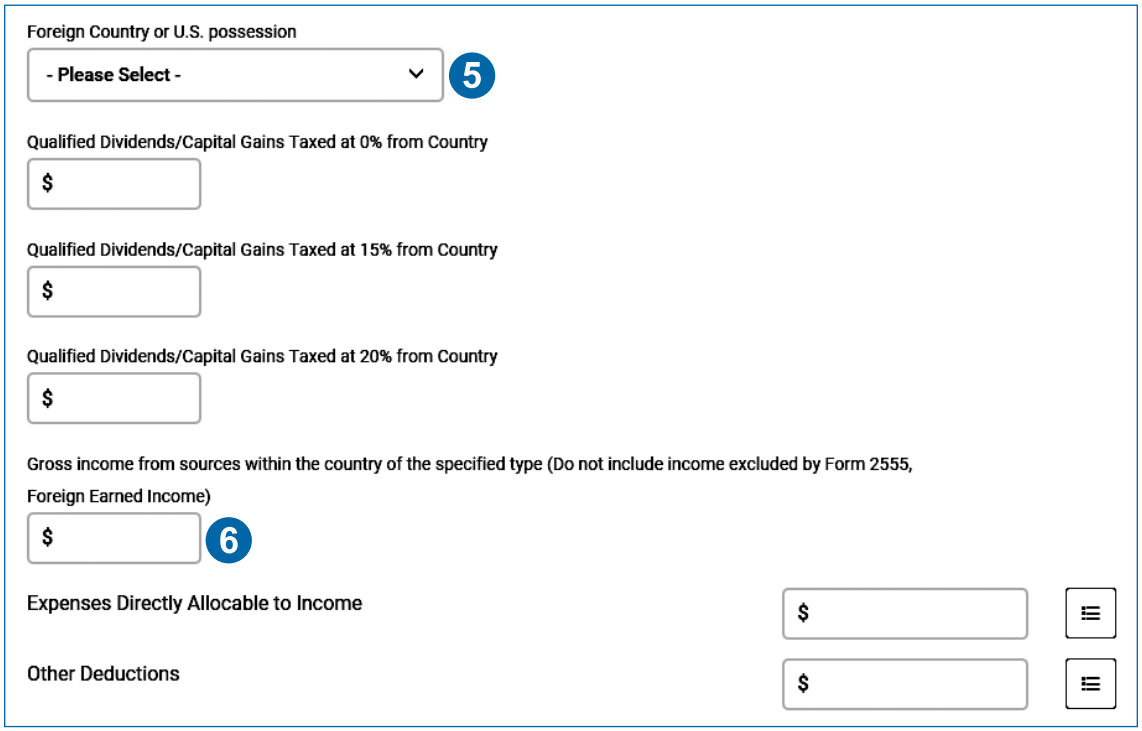


2. Passive and General limited income are in scope with International or Puerto Rico Level II certification only. Select the appropriate category. General limited income includes wages and self-employment income. If taxpayer has income in more than one category or from more than one country, another form can be added later.
3. Select country of residence
4. Indicate whether the foreign tax was actually paid during the tax year (paid) or if the tax was billed in one year but paid in another (accrued). A taxpayer using the cash basis can choose to use either the cash or accrual method to determine the foreign tax credit. However, if the accrual method is chosen, the taxpayer must continue to use the accrual method for the foreign tax credit on all future returns.

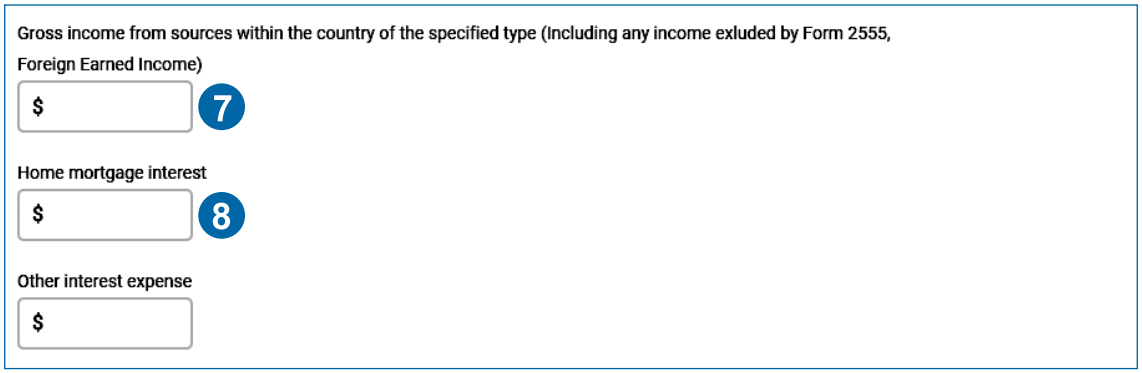
The screen below appears after selecting Passive income in the menu on the left. The screen for General limited income is similar.



Entering Form 1116 – Foreign Tax Credit (cont'd)



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

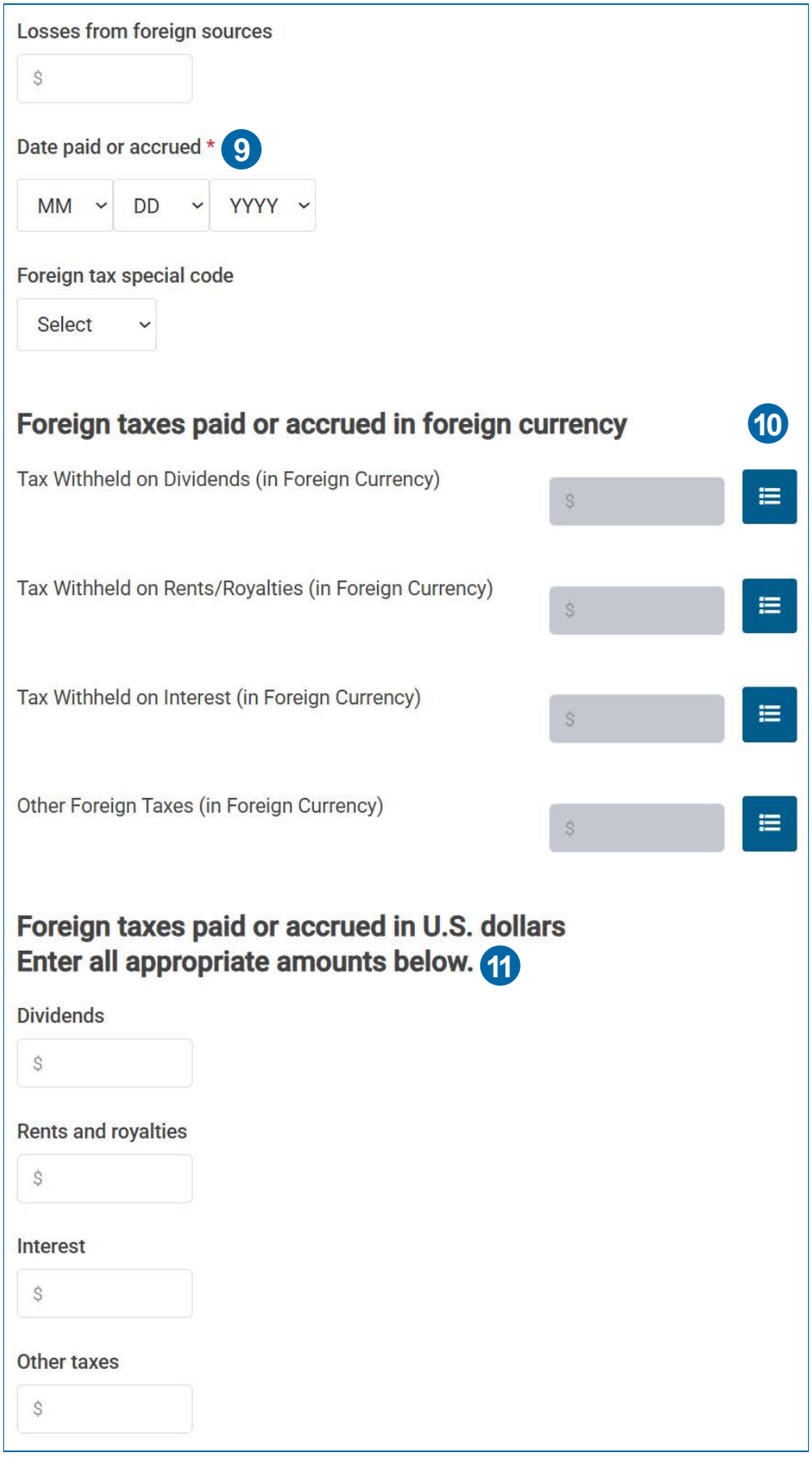


7. Enter the gross income of this category type where indicated. Enter income from this category type only, not total income. Include any income excluded by Form 2555, but only if that income is of the category selected (passive or general income).
8. If your gross foreign source income (including income excluded on Form 2555) does not exceed $5,000, you can allocate all your interest expense to U.S. source income. Otherwise, deductible home mortgage interest (including points and qualified mortgage insurance premiums) is apportioned using a gross income method. See **Instructions for Form 1116**.

Entering Form 1116 – Foreign Tax Credit (cont'd)

9. Enter the date the tax was paid or accrued.
10. Select the itemized amounts boxes to enter taxes paid in foreign currency in the appropriate category.
11. Enter the taxes paid (in U.S. dollars) in the appropriate category.

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



(B) Child and Dependent Care Expenses

Use the screening sheet on the next page to determine if a taxpayer qualifies for either or both of:

- The Credit for Child and Dependent Care Expenses
- The exclusion from income of dependent care benefits shown in Box 10 of Form W-2

If Dependent Care Benefits are listed in Box 10 of a Form W-2, Wage and Tax Statement, then the taxpayer MUST complete Form 2441, Child and Dependent Care Expenses. If Form 2441 isn't completed, the Box 10 amount is added as taxable wages automatically by TaxSlayer.

Who is a qualifying person?

- A qualifying child who was under the age of 13 when the expenses were incurred and who can be claimed as a dependent. However, see the caution below.

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

- Any person who was incapable of self-care* whom the taxpayer can claim as a dependent or could've been claimed as a dependent except that the person had gross income of more than $5,200 or filed a joint return or that the taxpayer or spouse, if married filing jointly, could be claimed as a dependent on someone else's 2025 return.
- A spouse who was physically or mentally incapable of self-care*.

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

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

Use Tax-Aide's **Qualifying Child or Relative Resource Tool** or refer to Tab C, Dependents, for the rules governing who may be claimed as a dependent. See **Publication 503**, Child and Dependent Care Expenses, for special rules regarding divorced or separated parents or parents who live apart.

Qualified work-related expenses

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

If the qualifying child turned 13 during the tax year, the qualifying expenses include amounts incurred for the child while under age 13 when the care was provided.

Dependent care benefits can include amounts paid for items other than the care of your child (such as food and schooling) only if the items are incidental to the care of the child and can't be separated from the total cost.

Screening Sheet – Child & Dependent Care Expenses

Step	Probe/Ask the taxpayer:	Action
1	Was the care for one or more qualifying persons? See prior page for definition.	**YES** – Go to Step 2 **NO** – You CAN'T claim the child and dependent care credit
2	Did you (and your spouse if applicable) have earned income[1] during the year? Refer to the Earned Income Table on page I-3.	**YES** – Go to Step 3 **NO** – You CAN'T claim the child and dependent care credit
3	Did you pay the expenses[2] to allow you to work or look for work? See prior page for qualifying expenses.	**YES** – Go to Step 4 **NO** – You CAN'T claim the child and dependent care credit
4	Were your payments made to someone you or your spouse could claim as a dependent?	**YES** – You CAN'T claim the child and dependent care credit **NO** – Go to Step 5
5	Were your payments made to your spouse or to the parent of your child who is your qualifying person? Answer NO if your qualifying child is a disabled person over age 13.	**YES** – You CAN'T claim the child and dependent care credit **NO** – Go to Step 6
6	Were your payments made to your child who was under the age of 19 at the end of the year?	**YES** – You CAN'T claim the child and dependent care credit **NO** – Go to Step 7
7	Are you single?	**YES** – Go to Step 10 **NO** – Go to Step 8
8	Are you filing a joint return?	**YES** – Go to Step 10 **NO** – Go to Step 9
9	Do you meet the requirements to be considered unmarried?[3]	**YES** – Go to Step 10 **NO** – You CAN'T claim the child and dependent care credit, but must complete Form 2441 for the exclusion if you had an amount in Form W-2, box 10
10	Do you know the care provider's name, address, and identifying number? Or did you make a reasonable effort to get this information? (See Due Diligence in Publication 503.)	**YES** – Go to Step 11 **NO** – You CAN'T claim the child and dependent care credit
11	Did you have only one qualifying person and will exclude at least $3,000 of dependent care benefits?	**YES** – You CAN'T claim the child and dependent care credit, but must still complete Form 2441 for the exclusion **NO** – You CAN claim the child and dependent care credit. Fill out Form 2441

[1]Your spouse is treated as having earned income for any month that he or she is a full-time student, or physically or mentally not able to care for himself or herself. (Your spouse also must live with you for more than half the year.) If the taxpayer's spouse died during the year and he/she files a return as a surviving spouse, the taxpayer may, but isn't required to, take into account the earned income of the spouse who died during the year.
[2]If you had expenses that met the requirements for 2024, except that you didn't pay them until 2025, you may be able to claim those expenses in 2025.
[3]All of the following requirements must be met to be considered unmarried:

- You file a return apart from your spouse,
- Your home is the home of the qualifying person more than half the year,
- You paid more than half the cost of keeping up your home for the year, and
- Your spouse doesn't live in your home for the last 6 months of the year.

(B) Entering Child and Dependent Care Expenses

Deductions>Credits Menu>Child and Dependent Care Credit; or Keyword 2441

1. Enter the information for the care provider. You'll be able to add additional providers later.

A reason must be selected if you check "Provider did not give identification." An identification number is not required if:

- The care provider is a tax-exempt organization (such as a church or a school), or
- The taxpayer is living abroad and the care provider does not have and is not required to get a U.S. taxpayer identification number.

Otherwise, the return will need to be paper filed with a statement attached. See **Instructions for Form 2441**, *Due Diligence*.

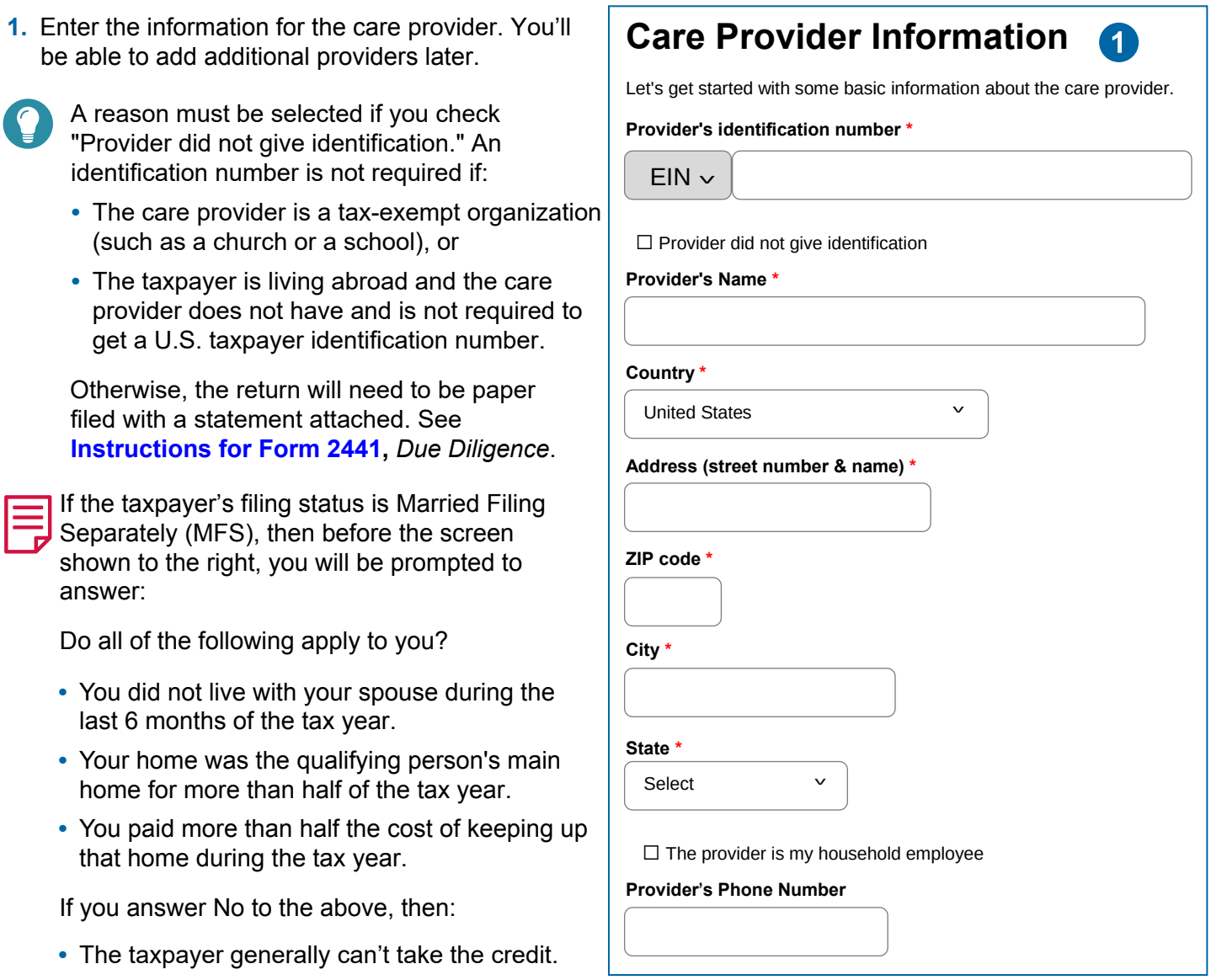
If the taxpayer's filing status is Married Filing Separately (MFS), then before the screen shown to the right, you will be prompted to answer:

Do all of the following apply to you?

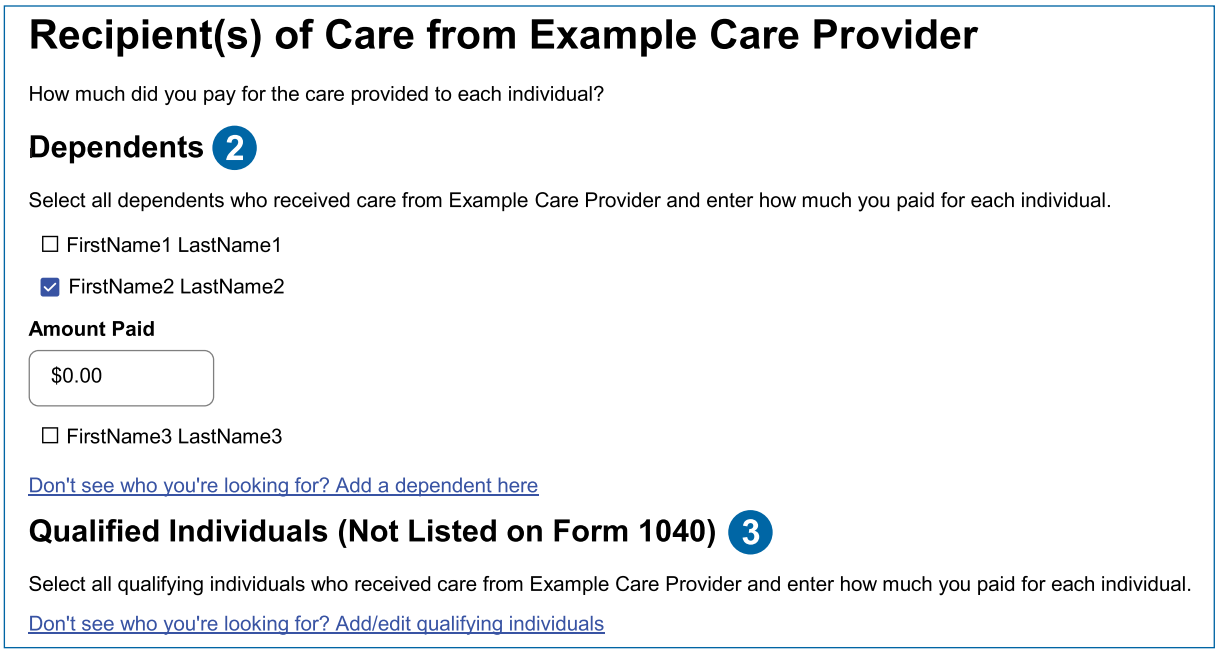
- You did not live with your spouse during the last 6 months of the tax year.
- Your home was the qualifying person's main home for more than half of the tax year.
- You paid more than half the cost of keeping up that home during the tax year.

If you answer No to the above, then:

- The taxpayer generally can't take the credit.
- The taxpayer may still be able to take the exclusion from income of dependent care benefits shown on Form W-2, Box 10.
- You will be prompted to enter Additional Spouse Income. See **Instructions for Form 2441**, Part III.



When figuring this credit, foreign earned income, the foreign housing exclusion, and any amount earned while incarcerated or on work release are excluded from earned income.

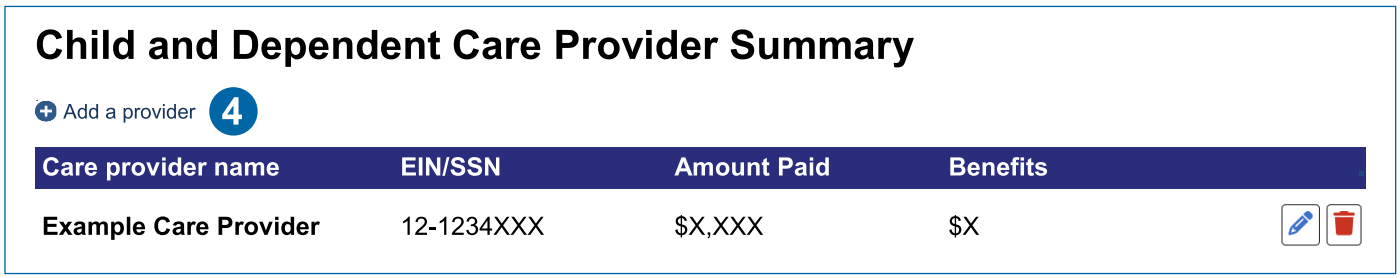


See page G-12 for definitions of qualifying person and qualified work-related expenses.

It is possible a qualifying person could have no expenses and a second qualifying person could have expenses exceeding $3,000. You should enter $0 for the one person and the actual amount for the second person. Having a second qualifying person will increase the limit for this credit from a maximum of $3,000 up to a maximum of $6,000.

2. Check the boxes for each dependent that is a qualifying person and enter the total amount of qualified work-related expenses **paid to this provider** for each. For a qualifying person with no expenses, check their box too and enter $0 for their expenses (see note above).
3. If you had a qualifying person that is not a dependent, then click the link at the bottom of this section to add them for this credit. After adding the additional qualifying individual(s), check the box(es) next to their name(s) and enter the total amount of qualified work-related expenses **paid to this provider** for them. For a qualifying person with no expenses, check their box too and enter $0 for their expenses (see note above).

A taxpayer/spouse that is a qualifying person would also be added here even though they are already listed on Form 1040. See page G-12, Who is a qualifying person?



4. Select this link to add any additional care providers and then repeat 1 – 3 above. Select **CONTINUE** after adding all providers and entering qualified work-related expenses paid to each.

Entering Child and Dependent Care Expenses (cont'd)

5. Only enter dependent care benefits not reported on a Form W-2.
6. This section will only be displayed if you answered Yes to the question above it. Enter the number of months that the taxpayer (and spouse if filing jointly) were unable to work due to being disabled or enrolled as a full-time student.

Both spouses must have earned income in order to claim the credit. TaxSlayer will multiply the number of months unable to work by $250 ($500 if more than one qualifying person was entered) and add that to the earned income for the taxpayer (or spouse) when calculating this credit.

If your spouse died during the year and you file a joint return as a surviving spouse, you may, but aren't required to, take into account the earned income of your spouse who died during the year.

If this is a joint return between a surviving spouse and a deceased spouse, and the surviving spouse did not remarry, then enter 12 for the number of months the deceased spouse was unable to work. This ensures that the deceased spouse's earned income does not eliminate or reduce this credit.

Child Care Questions

Dependent Care Benefits

Did you receive any dependent care benefits from your employer that are not reported on your W-2? *

- ◯ Yes
- ◯ No

5

Disabled or Full-Time Student Exception

Were you or your spouse unable to work due to being disabled or enrolled as a full-time student? *

- ◯ Yes
- ◯ No

Disabled or Full-Time Student Exception 6

Please enter how many months of 20xx that you were unable to work.

Months unable to work

0

Please enter how many months of 20xx that you were unable to work.

Spouse months unable to work

0

Delayed Care Payments

Did you pay any care expenses for 20py in 20xx? *

- ◯ Yes
- ◯ No

Child and Dependent Care Credit Summary 7

Tax Credit Amount	Eligible Expenses	Employer Paid Benefits
$X,XXX	$X,XXX	$X,XXX

7. TaxSlayer's final screen for this credit summarizes the results of its calculations. Select the pencil icon (edit) if you need to adjust any entries.

(B) Retirement Savings Contributions Credit – Screening Sheet

Step	Probe/Ask the taxpayer:	Action
1	Did you make a voluntary contribution or deferral to an IRA or other qualified plan for 2025?[1]	**YES** – Go to Step 2 **NO** – Not qualified for credit
2	Is AGI $39,500 or less ($59,250 if head of household, $79,000 if married filing jointly)?	**YES** – Go to Step 3 **NO** – Not qualified for credit
3	Were you born before January 2, 2008?	**YES** – Go to Step 4 **NO** – Not qualified for credit
4	Have you taken a distribution from your retirement savings in the two prior years and/or between January 1 and the tax filing deadline?	**YES** – May qualify for reduced credit. Go to Step 5 (See Important Reminders) **NO** – Go to Step 5
5	Are you being claimed as a dependent on someone else's tax return for 2025?	**YES** – Not qualified for credit **NO** – Go to Step 6
6	Were you a full-time student[2] during 2025?	**YES** – Not qualified for credit **NO** – Qualified for credit

[1]Plans that qualify are listed on Form 8880. Answer yes if the taxpayer will make a qualifying IRA contribution for tax year 2025 by the due date of the return.

[2]You were a student if during any part of 5 calendar months of 2025 you:

- Were enrolled as a full-time student at a school, or
- Took a full-time, on-farm training course given by a school or a state, county, or local government agency. **Note:** A school includes technical, trade and mechanical schools. It does not include on-the job training courses, correspondence schools, or schools offering courses only through the Internet.

Important Reminders for Retirement Savings Contributions Credit

- Form 8880, Credit for Qualified Retirement Savings Contributions, is used to claim this credit.
- Be sure to look at the taxpayer's Form(s) W-2. An entry in box 12 or an "X" in the Retirement box is an indicator that the taxpayer may be eligible for this credit. A full description of all codes used in box 12 can be found in **Instructions for Forms W-2 and W-3**, Transmittal of Wage and Tax Statements.
- An entry in box 14 on the Form W-2 may also indicate a contribution to a state retirement system. In TaxSlayer, if the contribution qualifies (contribution must be voluntary; i.e., optional), from the drop down menu in Box 14 of Form W-2, select **Retirement (Not in Box 12) Carry to Form 8880**. If these are treated as employer contributions they aren't eligible for the credit. See **Instructions for Form W-2**.
- If the taxpayer seems to qualify for the credit, be sure to visit the Form 8880 entry screen in the Credits Menu and address any necessary questions there.
- A contribution to a traditional or Roth IRA qualifies for this credit, but may not appear on any taxpayer document. Remember to review the expenses section of the Form 13614-C, Intake/Interview and Quality Review Sheet, and ask taxpayers if they made any IRA contributions.
- Some distributions reduce the eligible contributions for this credit. In addition to distributions for the current year as shown on Forms 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc., be sure to ask about distributions from the two prior years or between January 1 and the tax filing deadline.
- See next page for details regarding which distributions reduce the eligible contributions for this credit.
- If taxpayer (or spouse if MFJ) is a full-time student, be sure to mark it in the Personal Information Section in the software. This credit is not available to full-time students.

Qualifying Contributions for the Retirement Savings Contributions (Saver's) Credit

Verify total contribution amounts with the taxpayer. Total IRA contributions cannot exceed the lesser of total compensation or the annual limit. See page E-15.

- Enter deductible contributions to a traditional IRA made by the filing deadline on the Traditional IRA Contributions screen. TaxSlayer will automatically carry these entries to Form 8880.
- Enter the following on the Form 8880 screen for them to be counted as qualifying contributions for the Saver's Credit. See page G-20.
  - Contributions to a Roth IRA or a nondeductible traditional IRA made before the filing deadline.
  - Contributions to an Achieving a Better Life Experience (ABLE) account made by the designated beneficiary by December 31st of the tax year.
- TaxSlayer will automatically carry the following taxpayer or spouse's Form W-2 entries to Form 8880 as qualifying contributions for this credit:
  - Box 12 entries of D, E, F, G, H, S, AA, BB, EE
  - Box 14 amounts for voluntary retirement contributions that are marked as "Qualifies for Form 8880"

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

Certain Distributions Reduce Eligible Contributions for the Saver's Credit

If the taxpayer or spouse had qualifying contributions and meets the eligibility criteria on the prior page, then these contributions must be reduced by the **gross amount** of *certain* distributions. If filing jointly, include distributions for both spouses, even if only one had qualifying contributions. TaxSlayer automatically carries all current tax year distributions entered into the Form 1099-R or RRB-1099-R screens to Form 8880, Line 4, since it cannot identify which are relevant. However, TaxSlayer only carries the **taxable amount** of the distribution.

Steps 1-5 of the chart below will guide you in determining whether a distribution should be included on or excluded from Form 8880. Steps 6 and 7 explain the entries that may be needed for an excludible distribution, while steps 8 and 9 explain the entries that may be needed for an includible distribution.

If adjustments are required for more than one distribution, then combine them to arrive at a net adjustment, keeping in mind if each adjustment is negative or positive.

Step	Evaluate Distribution	Action
1	Was the distribution received in the two prior tax years, in the current tax year, or up to the due date of the return (including extensions)?	**YES** – Go to Step 2. **NO** – STOP (disregard for Form 8880).
2	Did the Form 1099-R Box 7 Distribution Code include any of the following codes: 6, 8, D, F, G, H, L, or U? If Box 7 had more than one code, then answer Yes if either code is in this list.	**YES** – Go to Step 6. **NO** – Go to Step 3.
3	Was the distribution from an IRA, plan or annuity for which contributions would be eligible for the Retirement Savings Contributions Credit? Answer without regard to if the distribution was taxable. Includes: • Traditional or Roth IRAs, or ABLE accounts, • 401(k), 403(b), governmental 457(b), 501(c)(18)(D), SEP, SIMPLE, or the federal TSP, • Qualified retirement plans, as defined in section 4974(c)?	**YES** – Go to Step 4. **NO** – Go to Step 6.

Retirement Savings Contributions Credit (cont'd)

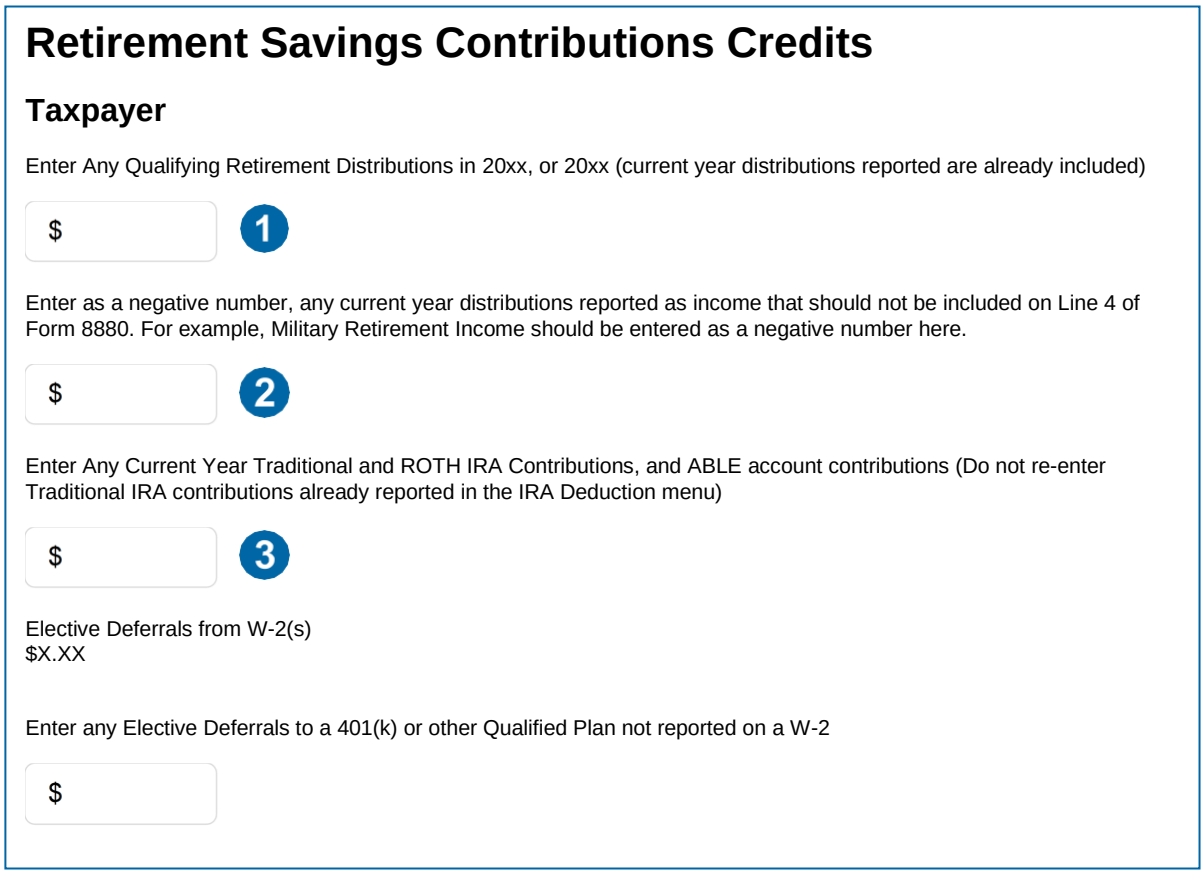
4	Was the distribution from either: • a military retirement plan (other than the federal Thrift Savings Plan (TSP)), or • a pension for which contributions were mandatory and no voluntary contributions were allowed, such as some defined benefit and government pensions? Note: Answer Yes for Form RRB-1099-R distributions as voluntary contributions were not allowed.	**YES** – Go to Step 6. **NO** – Go to Step 5.
5	Was the distribution any of the following: • not taxable as the result of a rollover* or a trustee-to-trustee transfer, • rolled over* or converted* to your Roth IRA or designated Roth account, • a loan from a qualified employer plan treated as a distribution, • a return of contributions made during the tax year (with any income allocable to such contributions) on or before the due date (including extensions) for the tax year, • dividends paid on stock held by an employee stock ownership plan under IRC section 404(k), • from an inherited IRA by a nonspousal beneficiary • a return of excess contributions or deferrals (and income allocable to such contributions or deferrals)?	**YES** – Go to Step 6.* **NO** – Go to Step 8.* * If only a portion of the distribution was rolled over or converted, then exclude that portion and evaluate the remaining portion separately using this list. If the overall distribution is only partially includible, then do not go to Step 6 or 8; instead follow the instructions in the note below this table.
6	**The distribution is excludible from the Saver's Credit. This and the next step address the required TaxSlayer entries.** Was the distribution received in the current tax year?	**YES** – Go to Step 7. **NO** – STOP (disregard for Form 8880).
7	Is the checkbox for "Does not carry to Form 8880" available on TaxSlayer's Form 1099-R or RRB-1099-R screen? See #4 on page D-53.	**YES** – Check the box. STOP. **NO** –On the Form 8880 screen, enter a negative manual adjustment equal to the taxable amount of the distribution. See #2 on the next page. STOP.
8	**The gross amount of the Distribution is fully includible for the Saver's Credit. This and the next step address the required TaxSlayer entries.** Was the distribution received in the two prior tax years (before the current tax year) or between January 1st and the tax filing deadline (including extensions)?	**YES** – Enter distribution on the Form 8880 screen as shown in #1 on the next page. STOP. **NO** – Go to Step 9.
9	Is the taxable amount of the distribution less than the gross distribution amount? If yes, then an adjustment is needed since TaxSlayer only carries the taxable amount to Form 8880. Examples include non-taxable Roth distributions, IRA distributions reduced for a QCD, etc.	**YES** – On the Form 8880 screen, enter a positive manual adjustment equal to the nontaxable portion of the distribution. See #2 on the next page. **NO** – STOP.

If only part of a distribution is excludible (due to a partial rollover or partial Roth conversion):

- If the distribution is for the current tax year, then do not check the box for "Does not carry to Form 8880." Instead, calculate the required manual adjustment as:
  (gross distribution) – (taxable amount) – (amount of rollover or Roth conversion).
  The calculated adjustment may be positive or negative. Enter the adjustment on the Form 8880 screen as shown in #2 on the next page.

- If the distribution was instead received in the two prior tax years (before the current tax year) or between January 1st and the tax filing deadline (including extensions), then enter a positive manual adjustment equal to the includible portion of the distribution. See #1 on the next page.

(B) Making Entries on the Retirement Savings Contributions Credits Screen



Retirement Savings Contributions Credits

Taxpayer

Enter Any Qualifying Retirement Distributions in 20xx, or 20xx (current year distributions reported are already included)

$ 1

Enter as a negative number, any current year distributions reported as income that should not be included on Line 4 of Form 8880. For example, Military Retirement Income should be entered as a negative number here.

$ 2

Enter Any Current Year Traditional and ROTH IRA Contributions, and ABLE account contributions (Do not re-enter Traditional IRA contributions already reported in the IRA Deduction menu)

$ 3

Elective Deferrals from W-2(s)
$X.XX

Enter any Elective Deferrals to a 401(k) or other Qualified Plan not reported on a W-2

$

Deductions>Credits Menu>Retirement Savings Credit Form 8880; or Keyword SAVE or 8880

For Married Filing Jointly returns, enter data in the applicable section on this screen: Taxpayer or Spouse. TaxSlayer will total #1 and #2 across both Taxpayer and Spouse and flow this sum to line 4 of Form 8880 for both. Entries for #3 are not totaled and separately flow to line 1 of Form 8880 for Taxpayer or Spouse.

1. Enter any includible distributions from the two prior tax years as well as distributions between January 1 and the tax filing deadline (including extensions). Distributions entered on Forms 1099-R or RRB-1099-R are already included by TaxSlayer and should not be re-entered on this screen. Exception (not supported by TaxSlayer): Don't include your spouse's prior year distributions with yours if you and your spouse didn't file a joint return for the year the distribution was received.
2. If a manual adjustment to the amount TaxSlayer carries to Line 4 of Form 8880 is required, then enter the (combined) adjustment here. See the chart on page G-18 for instructions on how to determine if an adjustment is needed for a distribution, and if so, how to calculate the adjustment.

   Even though the field label on the screen only mentions negative adjustments, a positive value should instead be entered if a positive adjustment is required.
3. Enter any Roth IRA contributions, nondeductible contributions to traditional IRAs, or ABLE account contributions here. Do not re-enter deductible traditional IRA contributions already reported on the Traditional IRA Contributions screen. For nondeductible IRA contributions, you must also report the increase in basis by entering them at: Deductions>Adjustments> Nondeductible IRAs; or Keyword: 8606.

Retirement Savings Contributions Credit (cont'd)

Examples of Includible/Excludible Distributions and Required Adjustments to Form 8880

The below table lists eleven example 1099-R distributions. Assume for each that the distribution was received in the current tax year and that the Box 1 Gross Distribution is $5,000. The last column indicates if the distribution is includible or excludible on Form 8880, Line 4 and what adjustment is needed (if any). Any required adjustments would be entered in TaxSlayer as shown in #2 on the prior page.

#	Box 2a Taxable Amount*	Box 7 Dist. Code(s) and additional information	Required Exclusion or Adjustment
1	5,000	7, IRA/SEP/SIMPLE is checked	Includible, no adjustment needed
2	2,000	7, IRA/SEP/SIMPLE is checked, $3000 was rolled over to another IRA	Partially includable, adjustment calculated at $0 (so no adjustment is needed)
3	5,000	7, Military pension	Excludible, no adjustment needed, but must check the "Does not carry to Form 8880" checkbox
4	3,728	7D (dist. from nonqualified annuity), or D4 (dist. from nonqualified annuity, death benefit)	Excludible, no adjustment needed, but must check the "Does not carry to Form 8880" checkbox
5	0	6, Section 1035 exchange	Excludible, no adjustment needed, recommended to check the "Does not carry to Form 8880" checkbox
6	4,000	7, plan that allowed voluntary contributions reduced via the simplified method	Includible, +1,000 adjustment needed
7	4,000	7, plan that did not allow voluntary contributions reduced via the simplified method	Excludible, -4,000 adjustment needed (checkbox for "Does not carry to Form 8880" not available)
8	0	Q (qualified distribution from a Roth IRA)	Includible, +5,000 adjustment needed
9	2,000	1B (early dist. from a designated Roth account)	Includible, +3,000 adjustment needed
10	4,000	7, IRA/SEP/SIMPLE is checked, taxable amount was reduced for a $1,000 QCD	Includible, +1,000 adjustment needed
11	2,000	7, IRA/SEP/SIMPLE is checked, taxable amount was reduced for a $1,000 QCD and a $2,000 rollover to another IRA	Partially includable, +1,000 adjustment needed

* Box 2a amount as entered in TaxSlayer (may or may not correspond to amount printed on the Form 1099-R)

Calculation of the Retirement Savings Contribution Credit

For qualifying taxpayers, the Saver's Credit is calculated using a percentage of their eligible contributions reduced by certain distributions. The percentage applied depends on their 2025 filing status and AGI:

Credit Rate (as % of your contribution*)	AGI for Married Filing Jointly	AGI for Head of Household	AGI for Single, Married Filing Separately, or Qualifying Surviving Spouse
50%	$47,500 or below	$35,625 or below	$23,750 or below
20%	$47,501- $51,000	$35,626 - $38,250	$23,751 - $25,500
10%	$51,001 - $79,000	$38,251 - $59,250	$25,501 - $39,500
0%	more than $79,000	more than $59,250	more than $39,500

* Contribution after reducing for certain distributions, if applicable. TaxSlayer will limit credit as needed based on tax liability.

(B) Screening Sheet – Credit for the Elderly or the Disabled

Figure A. Are You a Qualified Individual?

Use the following chart to determine if the taxpayer is eligible for this nonrefundable credit:

Step	Probe/Ask the taxpayer:	Action
1	Were you married at the end of the tax year?	**YES** – Go to Step 2 **NO** – Go to Step 4
2	Did you live with your spouse at any time during the year?	**YES** – Go to Step 3 **NO** – Go to Step 4
3	Are you filing a joint return with your spouse? Answer **YES** if you qualify to be considered unmarried and file as Head of Household.	**YES** – Go to Step 4 **NO** – You aren't a qualified individual and can't take the credit for the elderly or the disabled
4	Are you a U.S. citizen or resident alien?[1]	**YES** – Go to Step 5 **NO** – You aren't a qualified individual and can't take the credit for the elderly or the disabled
5	Were you 65 or older at the end of the tax year?	**YES** – You are a qualified individual and may be able to take the credit for the elderly or the disabled unless your income exceeds the limits in Figure B **NO** – Go to Step 6
6	Are you retired on permanent and total disability?	**YES** – Go to Step 7 **NO** – You aren't a qualified individual and can't take the credit for the elderly or the disabled
7	Did you reach mandatory retirement age before this year?[2]	**YES** – You aren't a qualified individual and can't take the credit for the elderly or the disabled **NO** – Go to Step 8
8	Did you receive taxable disability benefits this year?	**YES** – You are a qualified individual and may be able to take the credit for the elderly or the disabled unless your income exceeds the limits in Figure B **NO** – You aren't a qualified individual and can't take the credit for the elderly or the disabled

Footnotes

[1]If you were a nonresident alien at any time during the tax year and were married to a U.S. citizen or resident alien at the end of the tax year, see the Qualified Individual section of the Instructions for Schedule R, Credit for the Elderly or the Disabled. If you and your spouse choose to treat you as a U.S. resident alien, answer "yes" to this question.

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

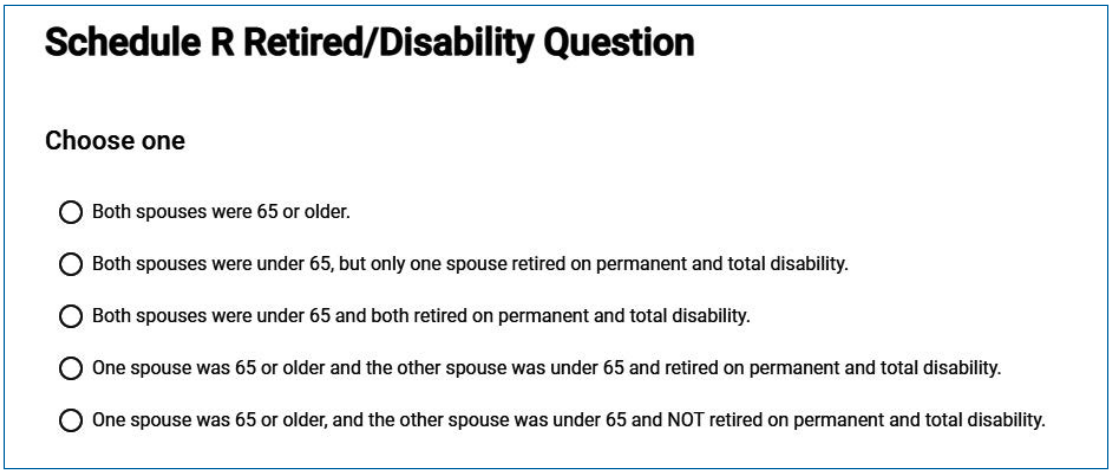
Screening Sheet – Credit for the Elderly or the Disabled (cont'd)

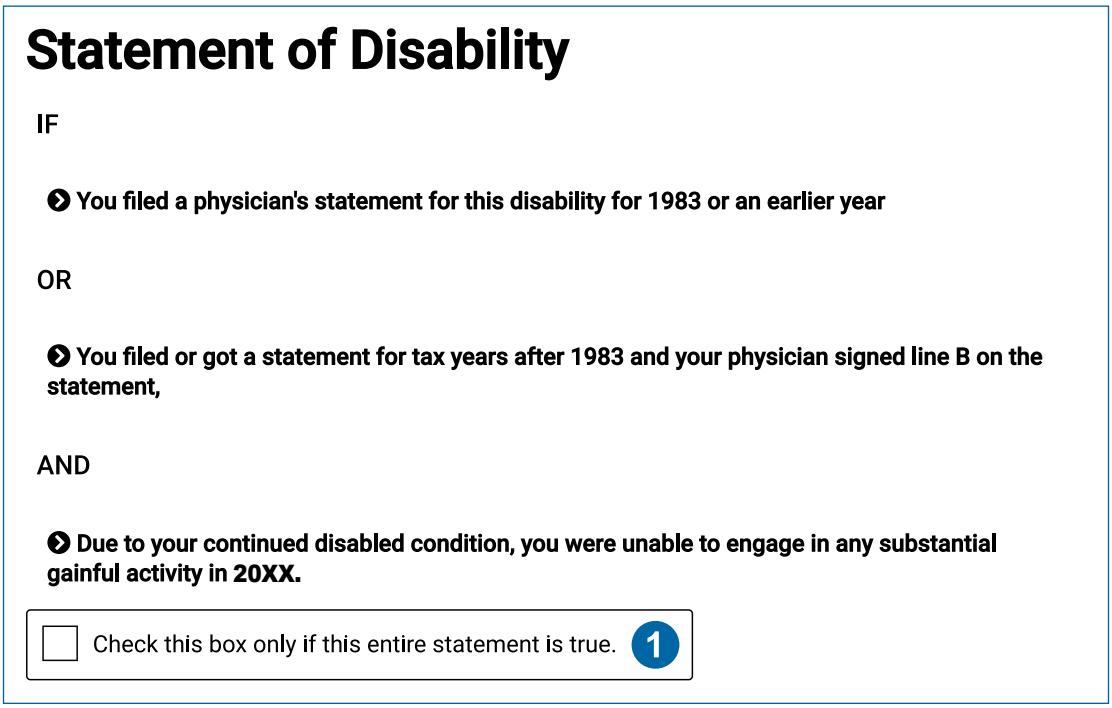
Figure B. Income Limits		
IF you are...	THEN you generally can't take the credit if...	
	Your adjusted gross income (AGI) is equal to or more than...	OR the total of your nontaxable Social Security and other nontaxable pension annuities or disability income is equal to or more than...
single, head of household, or qualifying surviving spouse with dependent child	$17,500	$5,000
married filing a joint return and both spouses qualify in Figure A	$25,000	$7,500
married filing a joint return and only one spouse qualifies in Figure A	$20,000	$5,000
married filing a separate return and you lived apart from your spouse for all of 2025	$12,500	$3,750

Be sure to include the taxpayer's total Social Security benefits, regardless of the taxability, to ensure the correct calculation of the credit. The software does not calculate this credit automatically. If the taxpayer appears to qualify for the credit, refer to the navigation path on the next page and answer the questions.

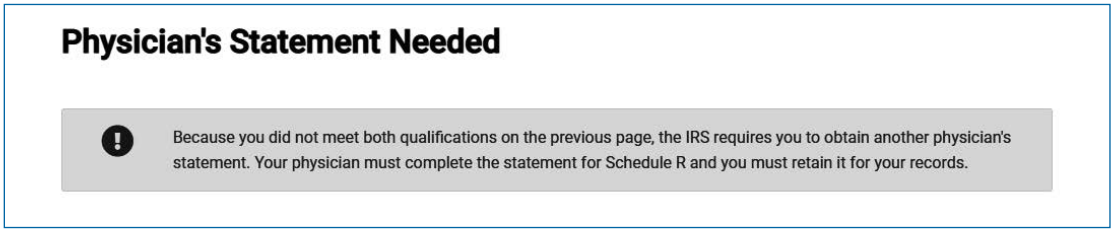
(B) Entering the Credit for the Elderly or the Disabled

Deductions>Credits>Credit for the Elderly or Disabled Schedule R; or Keyword: ELD

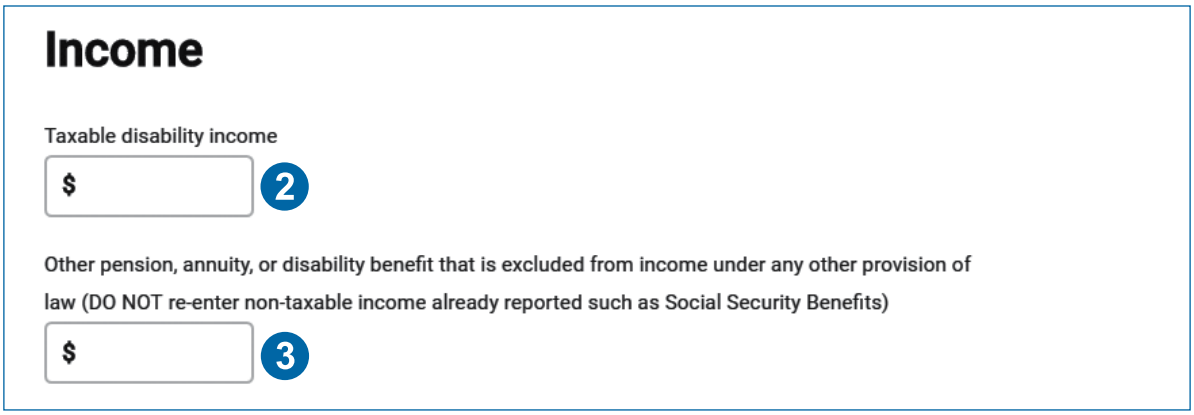




1. Check the box if the statements above regarding the taxpayer's disability are true. Not checking the box does not prevent the taxpayer from claiming the credit. However, they must obtain a physician's statement for their records. See the **Instructions for Schedule R** for a sample statement.



Entering the Credit for the Elderly or the Disabled (cont'd)



2. Enter the taxpayer's taxable disability income, if any, (such as from Form 1099-R) where indicated.
3. Enter pension, annuity or disability benefits excluded from income as indicated. Do not enter Social Security benefits. Enter Social Security income in the Social Security SSA-1099 screen in TaxSlayer.

(A) Residential Energy Credits

Deductions>Credits>Residential Energy Credits; or Keyword: ENER

Termination of credit: You can't claim Part I of the credit (OOS) for expenditures made after December 31, 2025. You can't claim Part II of the credit for expenditures or property placed in service after December 31, 2025.

Form 5695, Residential Energy Credits, is used to calculate and claim the residential energy credits.

Part I, Residential Clean Energy Credit, taxpayers may be eligible to claim an energy credit for solar panels, solar water heaters, fuel cell property expenditures, wind turbines, geothermal heat pump property expenditures, and battery storage technology expenditures. This part of the form is Out of Scope. Taxpayers that have these expenses should be referred to a professional tax preparer.

Part II, Energy Efficient Home Improvement Credit, this credit is non-refundable and has no lifetime limit. This part of the form has a maximum total yearly credit of $3,200, comprised of separate $1,200 and $2,000 limits as described on the next page.

To qualify for this credit, improvements must satisfy energy efficiency requirements and home energy audits must meet guidelines. For more information see:

- **Form 5695** and **Instructions for Form 5695**
- **ENERGY STAR: Federal Tax Credits** and **Climate Zone Finder for Windows, Doors, and Skylights**
- **IRS Energy Efficiency Requirements FAQ** and **Fact Sheet FS-2025-01**

Energy Efficient Home Improvement Credit – Key Points:

- A $1,200 aggregate yearly credit limit applies across any combination of building envelope components, home energy audits, and residential energy property:
  - Qualified energy efficiency improvements (building envelope components) having an expected lifespan of at least 5 years (installation labor costs don't qualify for this part of the credit):[1]
    - exterior doors (30% of costs up to $250 per door, up to a total of $500);
    - exterior windows and skylights (30% of costs up to $600); and
    - insulation materials or systems and air sealing materials or systems (30% of costs).
  - Home energy audits (30% of costs up to $150)[2].
  - Residential energy property (30% of costs, including labor, up to $600 for each item):[3]
    - central air conditioners;
    - natural gas, propane, or oil water heaters;
    - natural gas, propane, or oil furnaces and hot water boilers; and
    - improvements to or replacements of panelboards, subpanelboards, branch circuits, or feeders that were installed with building envelope components or qualified energy property and in a manner consistent with the National Electric Code, and have a load capacity of at least 200 amps.
- A separate $2,000 aggregate yearly credit limit applies across all heat pump water heaters, heat pumps, and biomass stoves and biomass boilers (30% of costs, including labor):[3]
  - electric or natural gas heat pump water heaters;
  - electric or natural gas heat pumps; and
  - biomass stoves and biomass boilers.

Additional Requirements to Qualify for the Energy Efficient Home Improvement Credit:

- Improvements must be placed into service by the taxpayer during the tax year.
- Systems and materials must be new, not used.
- Improvements must be for an existing home or for an addition to or renovation of an existing home, and not for a newly constructed home. The home must be located in the United States.
- When calculating the credit, taxpayers need to reduce the purchase price by any subsidies or rebates received. See General Questions, Q4, on page 11 of **IRS Fact Sheet FS-2025-01**.

Footnotes:

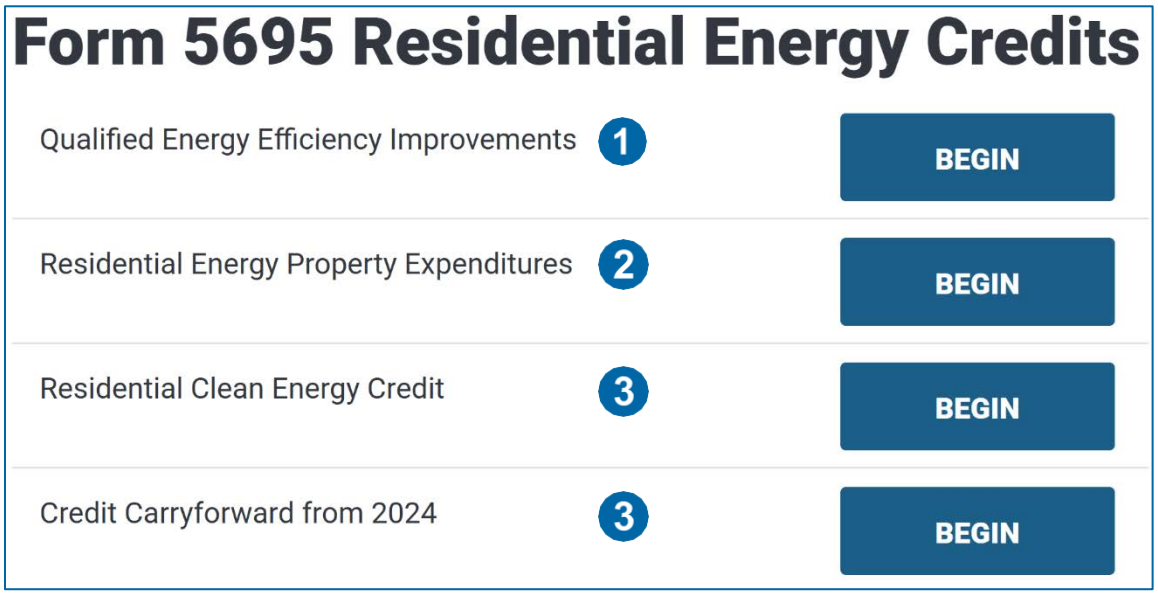
1. Improvements must be installed in or on the taxpayer's main home that they owned and is located in the U.S. If the price paid included installation labor without a breakout of the labor, the taxpayer must make a reasonable allocation between the cost of the qualifying property and the nonqualifying labor costs of the installation. Volunteers cannot make this allocation, but can use a reasonable allocation provided by the taxpayer.
2. Home energy audits include an inspection and written report for the taxpayer's main home located in the U.S. (includes renters). These must be conducted and prepared by or under the supervision of a Qualified Home Energy Auditor. See Instructions for Form 5695, Home energy audits, for additional requirements.
3. Listed energy property must have been installed in a home located in the U.S. and used as a residence by the taxpayer (includes renters; includes second homes).



Taxpayers claiming the Energy Efficient Home Improvement Credit must include the four-character alphanumeric unique Qualified Manufacturer Identification Number (QMID) for specified property placed in service in 2025. Does not apply to insulation or air sealing materials or systems, or to home energy audits.

(A) Entering Residential Energy Credits

Deductions>Credits Menu>Residential Energy Credits; or Keyword: ENER



1. Click Begin for **Form 5695** Part II, Section A – Qualified Energy Efficiency Improvements for building envelope components (exterior doors, exterior windows/skylights, and insulation materials). See next page.
2. Click Begin for **Form 5695** Part II, Section B – Residential Energy Property Expenditures for all other Part II elements. See page G-30.
3. **Form 5695**, Part I, Residential Clean Energy Credit, is Out of Scope. If the TY2024 return has a Form 5695, Part I carryforward on line 16, then this year's return is Out of Scope.

Taxpayers claiming Part II of this credit must include the four-character alphanumeric unique Qualified Manufacturer Identification Number (QMID) for specified property placed in service in 2025. Does not apply to insulation or air sealing materials or systems, or to home energy audits.

Always review the **Form 5695** generated by TaxSlayer to ensure all required addresses are included and that it reflects all components of the expected credit. Do not rely solely on the calculated summation lines —28 ($1,200 maximum), 29h ($2,000 maximum), and 32 (Part II total, limited by tax liability).

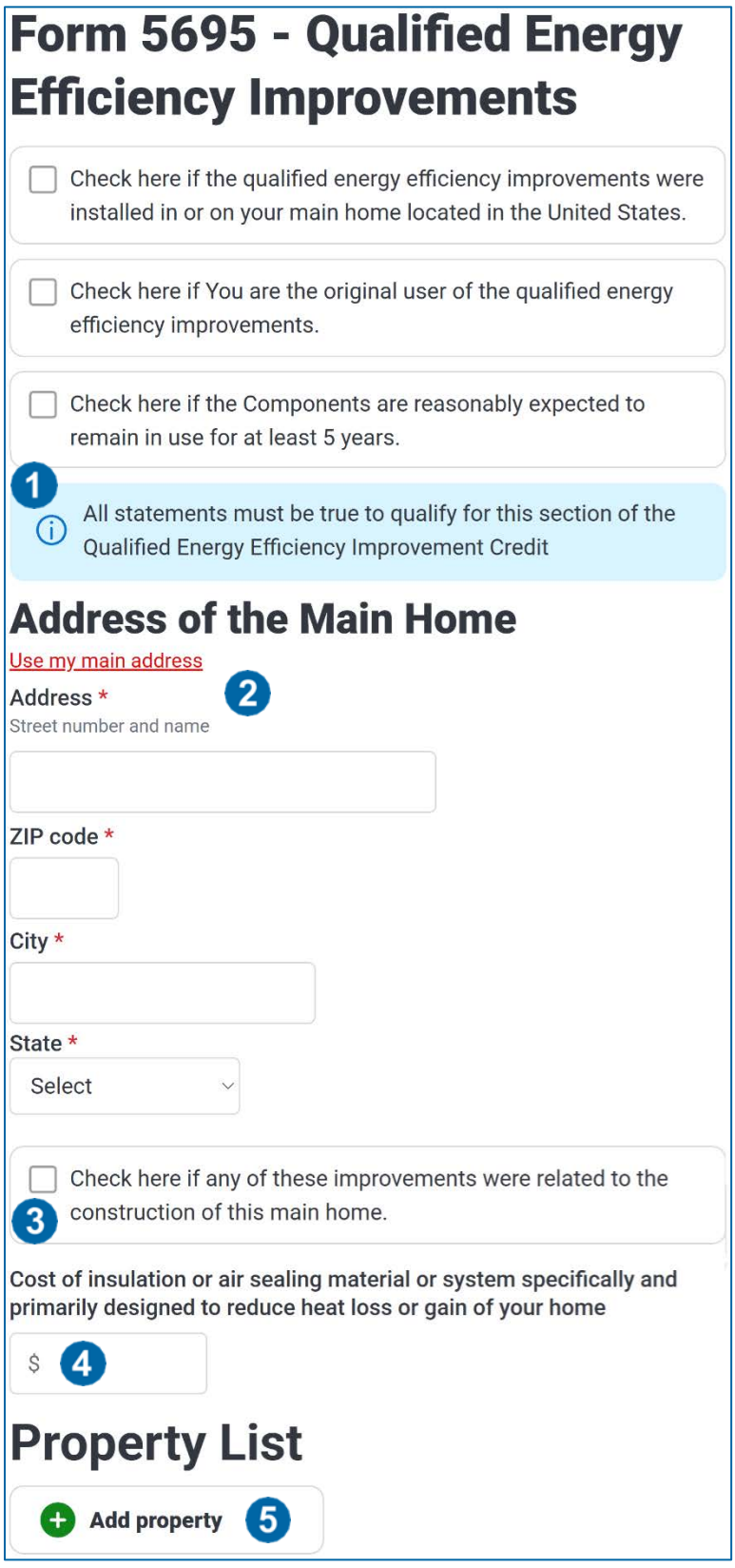
(A) Entering Qualified Energy Efficiency Improvements

This screen covers Section A of Form 5695, Part II: building envelope components (insulation materials, exterior doors, and exterior windows and skylights).

1. All three statements above the blue box must be true to claim this section of the credit. If applicable, check these three boxes to display the remainder of this screen and answer Yes on lines 17a – 17c of **Form 5695**.
2. Improvements shown on this screen must have been installed in or on the taxpayer's main home they owned located in the U.S.

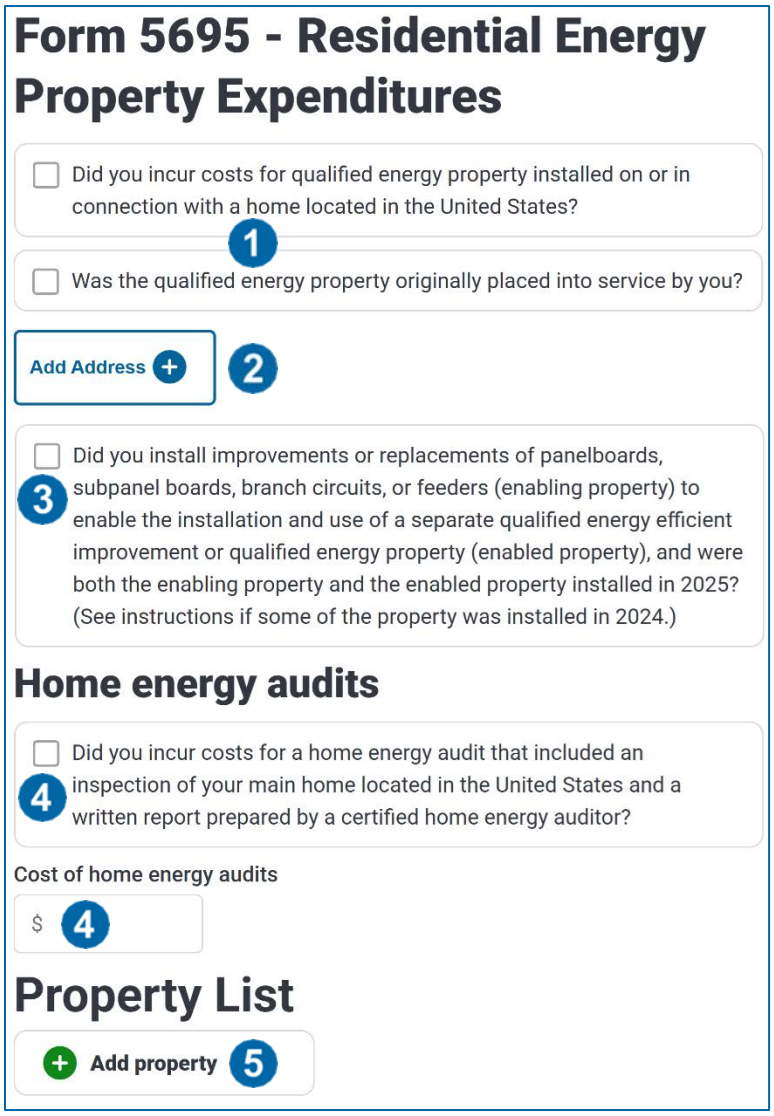
   Click **Use my main address** if the main home's address was entered in Personal Information. Otherwise, enter the address of the main home during the tax year (line 17d).
3. To claim the credit for items on this screen, this checkbox must remain unchecked to answer No on line 17e. Do not claim expenses on this screen that are related to the construction of the main home, even if the improvements were made after the taxpayer moved into the home.
4. Enter the cost of qualifying insulation or air sealing materials or systems (line 18a).
5. Click **Add property** or **Add another property** to enter the following details separately for each qualifying property:
   - Type of property. Choose either of the following from the dropdown list:
     - Exterior doors ... (line 19)
     - Windows and skylights ... (line 20)
   - Description. TaxSlayer will include this on a statement, if generated.
   - Qualified manufacturer ID (QMID)
   - Cost

Installation costs do not qualify for this part of the credit. If the price paid included installation labor without a breakout of the labor, the taxpayer must make a reasonable allocation between the cost of the qualifying property and the nonqualifying labor costs of the installation. Volunteers cannot make this allocation, but can use a reasonable allocation provided by the taxpayer.



(A) Entering Residential Energy Property Expenditures

This screen covers Section B of Form 5695, Part II: Residential Energy Property Expenditures. This includes home energy audits and the properties listed in #5 below.



1. Both statements must be true to claim any of the Residential Energy Property Expenditures *other than home energy audits*. If applicable, check both boxes to answer Yes on lines 21a and 21b of **Form 5695**.

   The 2nd checkbox appears after checking the 1st checkbox. After checking the 2nd checkbox, the remaining fields in this screenshot appear.

2. You must enter the address(es) where the energy property was installed (line 21c). Energy property must have been installed in a home located in the U.S. and used as a residence by the taxpayer (includes renters and second homes).

3. Check this box if a qualifying panelboard, subpanelboard, branch circuit, or feeder (enabling property) was installed to enable the installation and use of separate Form 5695, Part II property. Then click **Add property** to enter the details (see #5 below).

4. Check this box if the taxpayer had a qualifying home energy audit completed on their main home located in the U.S. (renters also qualify), and then enter the cost (line 26).

5. Click **Add property** or **Add another property** to enter the following details separately for each qualifying property:
   - Type of property. Choose one of the following from the dropdown list:
     - Central air conditioners (line 22)
     - Natural gas, propane, or oil water heaters (line 23)
     - Natural gas, propane, or oil furnace or hot water boilers (line 24)
     - Panelboards, subpanelboards, branch circuits or feeders improvements or replacements (line 25)
     - Electric or natural gas heat pumps (lines 29a – 29b)
     - Electric or natural gas heat pump water heaters (lines 29c – 29d)
     - Biomass stoves and biomass boilers (lines 29e – 29f)
   - Description. TaxSlayer will include this on a statement, if generated.
   - Enabled property code type. Only applicable to Panelboards, subpanelboards, etc.
   - Qualified manufacturer ID (QMID)
   - Cost

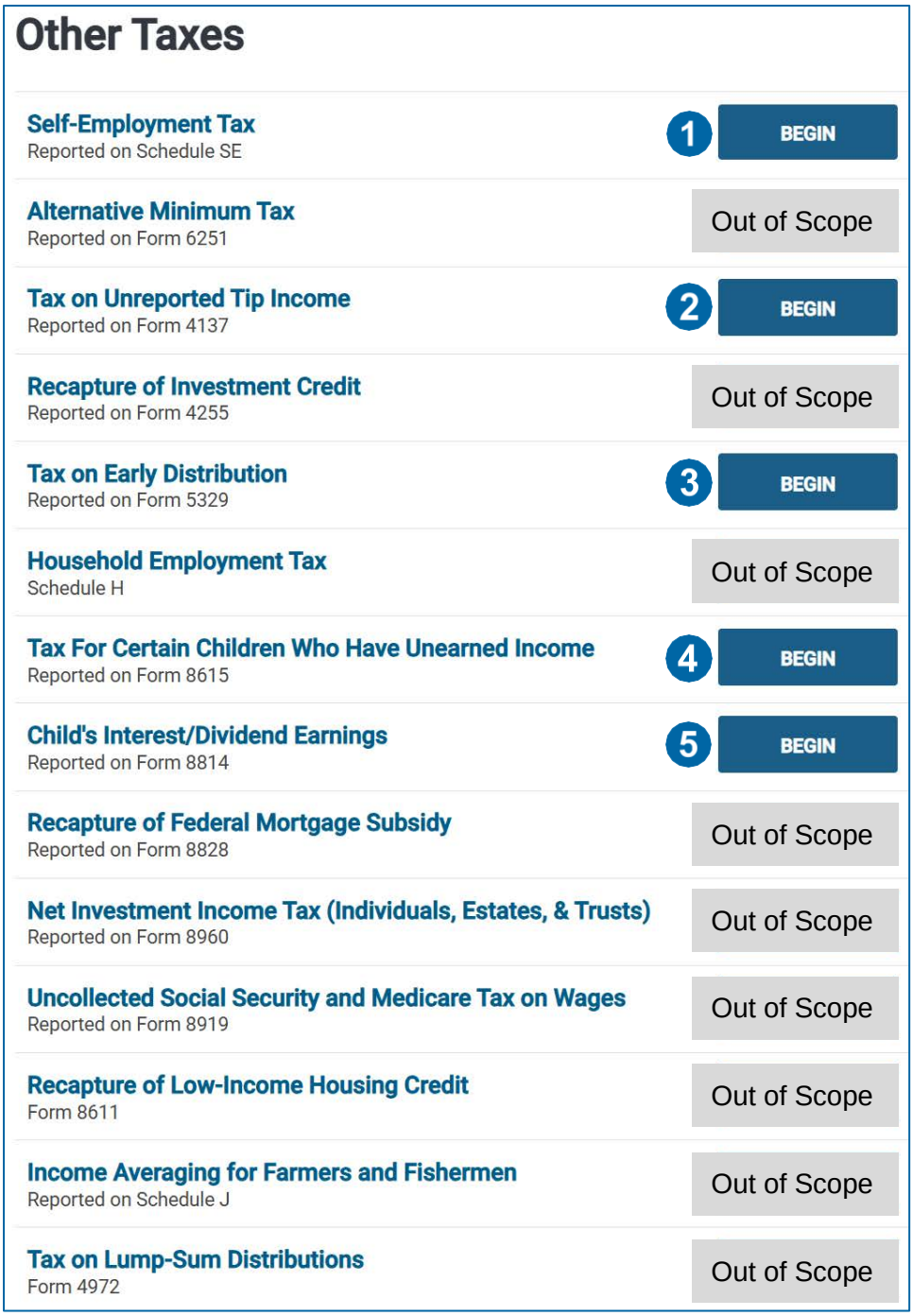
Tab H: Other Taxes, Payments, and Refundable Credits

(A) Other Taxes

Other Taxes

TaxSlayer provides all the forms and schedules you need in order to figure and report these taxes, and in most cases, performs the calculations.

1. (A) See next page for details on Schedule SE, Self-Employment Tax.
2. (A) See next page for details on Form 4137, Social Security and Medicare Tax on Unreported Tip Income.
3. (A) See page H-6 for details on Form 5329, Additional Tax on IRAs and Other Qualified Plans.
4. (A) Form 8615 is in scope only for Native Americans receiving per capita payments and Alaska residents receiving permanent fund dividends. See page H-5.
5. (A) Form 8814 is in scope only for Alaska residents receiving permanent fund dividends. See page H-5.



(A) Self-Employment Tax (and Church Employee or Notary Income)

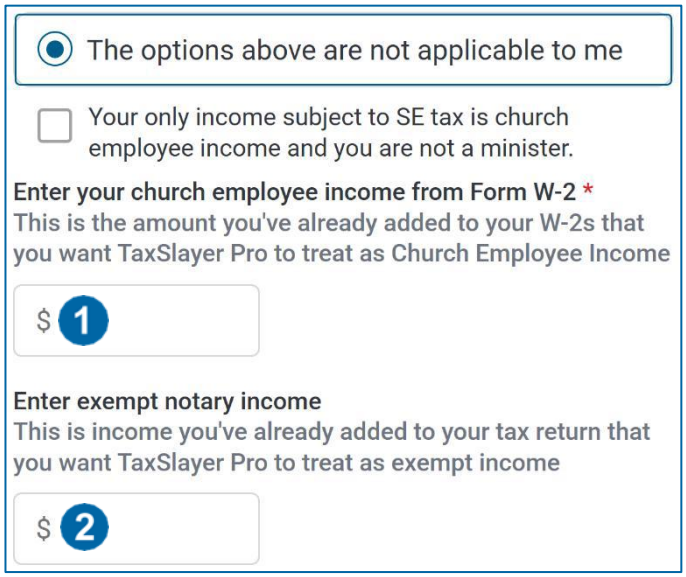
Self-employment (SE) tax is the Social Security and Medicare taxes paid primarily by self-employed individuals. SE tax applies regardless of the taxpayer's age and even if they already receive Social Security or Medicare benefits. The SE tax rate is 15.3% (12.4% for Social Security and 2.9% for Medicare).

When a Schedule C is added to the return, TaxSlayer uses the net profit from that Schedule C to calculate the SE tax on Schedule SE. The calculated SE tax flows to Schedule 2, line 4, and the deduction for one-half of SE tax flows to Schedule 1, line 15.

Self-Employment Tax – Adjustment for Church Employee Income and Notary Income

Navigate to this screen only if you need to make the adjustments to SE tax shown in #1 or #2 below. Refer to **Instructions for Schedule SE** for additional information.

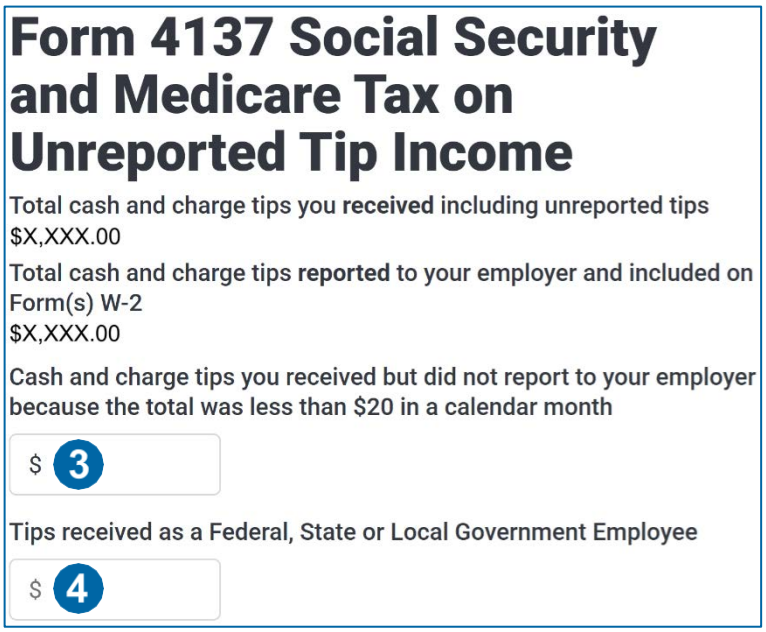
Other Taxes>Self-Employment Tax;
or Keyword: SELF



1. **Church employee income:** You must pay SE tax if you received $108.28 or more in wages from a church or qualified church-controlled organization that is exempt from employer Social Security and Medicare taxes. This is reflected on Form W-2 by blanks or zeros in boxes 3 – 6 (Out of Scope for members of the clergy as special rules may apply). Add this tax by checking the box above #1 and entering the amount of church employee income from Form W-2, box 1.
2. **Notary income:** Fees received for services performed as a notary public are not included in net earnings from self-employment. Enter the net profit from a Notary's business in #2 so that SE tax is not calculated on this income.

(A) Form 4137, Social Security and Medicare Tax on Unreported Tip Income

Other Taxes>Tax on Unreported Tip Income; or Keyword: 4137



Form 4137, Social Security and Medicare Tax on Unreported Tip Income, is created when Allocated Tips or Unreported Tips are entered on the Form W-2 screen (see #6 and #9 on page D-9). If applicable, also make the following entries, but do not duplicate amounts in both #3 and #4.

3. The following types of unreported tips are exempt from Social Security and Medicare tax. Exclude them by entering only this portion here (income tax still applies):
   - Cash and charged tips totaling less than $20 in a calendar month
   - Noncash tips; e.g. merchandise, meals, etc.
4. Any unreported tips received by a taxpayer for work performed as a federal, state, or local government employee should be entered here *if their pay was subject only to the 1.45% Medicare tax*. This will exclude these tips from the 6.2% Social Security tax.

(A) Form 8615, Tax for Certain Children Who Have Unearned Income (Kiddie Tax)

Do you have to use Form 8615 to figure your child's tax on your child's tax return?

Step	Probe / Ask the Taxpayer	Action
1	Was the child's unearned income, including taxable scholarships and grants, more than $2,700?	**YES** – Go to Step 2 **NO** – Don't use Form 8615 to figure the child's tax.
2	Is the child required to file a tax return for the tax year? See Chart B - For Children and Other Dependents on page A-4.	**YES** – Go to Step 3 **NO** – Don't use Form 8615 to figure the child's tax.
3	Was the child under age 18 at the end of the tax year?	**YES** – Go to Step 8 **NO** – Go to Step 4
4	Was the child age 18 at the end of the tax year?	**YES** – Go to Step 7 **NO** – Go to Step 5
5	Was the child under age 24 at the end of the tax year?	**YES** – Go to Step 6 **NO** – Don't use Form 8615 to figure the child's tax.
6	Was the child a full-time student during the tax year?	**YES** – Go to Step 7 **NO** – Don't use Form 8615 to figure the child's tax.
7	Did the child have earned income that was more than half of his or her support?	**YES** – Don't use Form 8615 to figure the child's tax. **NO** – Go to Step 8
8	Was at least one of the child's parents alive at the end of the tax year?	**YES** – Go to Step 9 **NO** – Don't use Form 8615 to figure the child's tax.
9	Is the child filing a joint return?	**YES** – Don't use Form 8615 to figure the child's tax. **NO** – Go to Step 10
10	Form 8615 must be used to figure the tax on the child's tax return. Form 8615 is in scope for Native Americans receiving per capita payments and Alaska residents receiving permanent fund dividends. For all other purposes, Form 8615 remains Out of Scope for the child's tax return (but does not make the parents' tax return Out of Scope).	

(A) Form 8814, Parents' Election To Report Child's Interest and Dividends



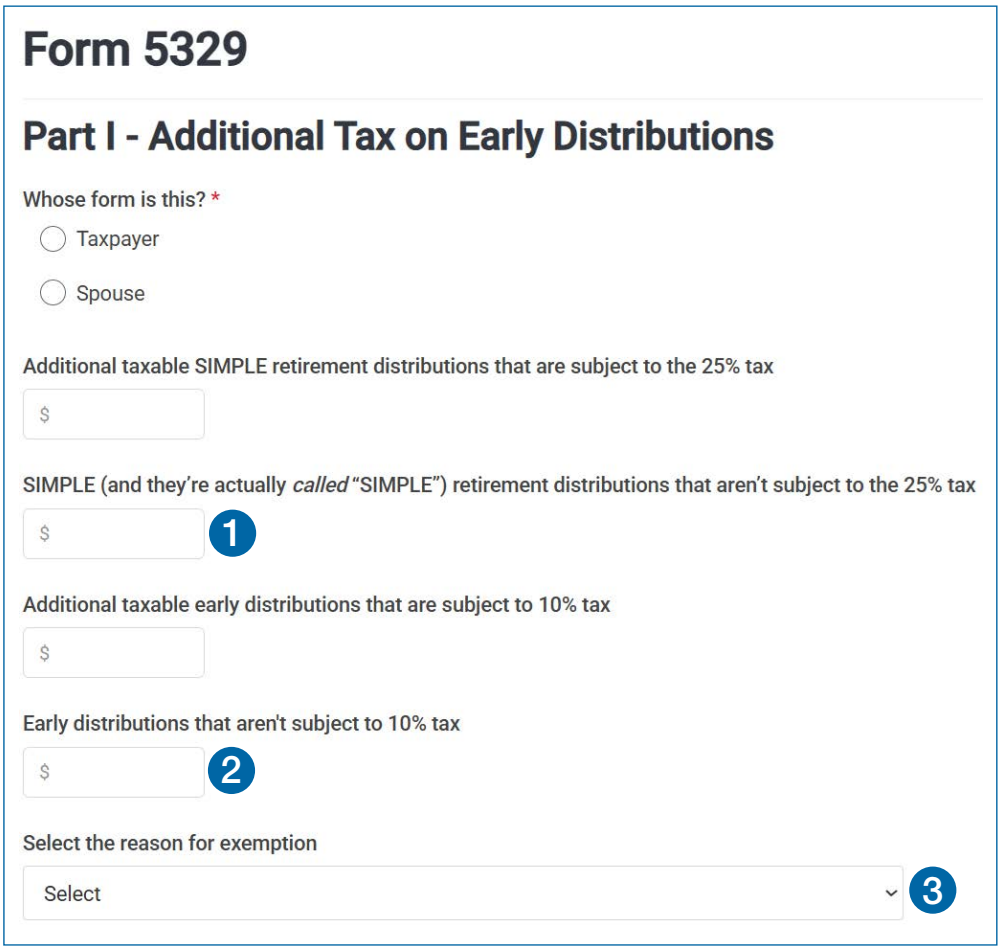
If the child's parent chooses to report the child's income by filing **Form 8814**, Parents' Election To Report Child's Interest and Dividends, the child isn't required to file a tax return. Don't use **Form 8615**. Form 8814 is in scope for Alaska residents receiving permanent fund dividends. For all other purposes, Form 8814 remains Out of Scope.

(A) Form 5329, Additional Tax on IRAs and Other Qualified Plans

Other Taxes>Tax on Early Distribution; or Keyword: 5329

A 10% penalty is calculated on Form 5329, Additional Tax on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts, for early withdrawal before age 59½. The 10% penalty will not be applied when Form 1099-R has code 2 in box 7. Otherwise, if an exception applies, complete Part 1 - Additional Tax on Early Distributions as shown below.

Form 5329 is in scope only for Parts I and IX. Part I is for the Additional Tax on Early Distributions and applicable exceptions. Part IX is in scope to request the waiver of the additional tax for failure to take a required minimum distribution (RMD), as described on page H-10.



1. Funds distributed from a SIMPLE IRA in the first two years are subject to a 25% early distribution tax. If an exception applies, enter the amount not subject to the tax here.
2. Enter the amount not subject to additional tax.
3. Select the appropriate exception from the drop down menu.

(A) Early Distribution Exception Codes

The table below lists exception codes and explanations for early distributions from IRAs or other qualified retirement plans. The exception description will indicate if a code is restricted to a specific type of plan.

Do not rely on this list alone. For exceptions that apply to IRAs, see **Publication 590-B** for rules and details pertaining to each exception. For exceptions that apply to pensions or annuities, see **Publication 575**. Also refer to the **Form 5329 Instructions**.

No	Exception Description
01	Qualified retirement plan distributions (doesn't apply to IRAs) you received after **separation from service** when that separation occurs in or after the year you reach age 55 (age 50 for qualified public safety employees and private sector firefighters) or 25 years of service under the plan, whichever is earlier. See "Separation from service" and "Qualified public safety employees" in **Pub. 575**.
02	Distributions made as part of a **series of substantially equal periodic payments** (made at least annually) for your life (or life expectancy) or the joint lives (or joint life expectancies) of you and your designated beneficiary (if from an employer plan, payments must begin after separation from service). See "Substantially equal periodic payments" in **Pub. 590-B** or **Pub. 575**.
03	Distributions due to **total and permanent disability**. Does not apply if the disability occurred after the distribution.[1]
04	Distributions made on or after the date of **death** (doesn't apply to modified endowment contracts).
05	Qualified retirement plan distributions up to the amount you paid for unreimbursed **medical expenses** during the year **minus 7.5% of your AGI** (adjusted gross income) for the year. Expenses can also be entered on Schedule A.[2,3]
06	Qualified retirement plan distributions **made to an alternate payee** under a **qualified domestic relations order** (doesn't apply to IRAs).
07	IRA distributions made to **unemployed individuals for health insurance premiums**.[2,4]
08	IRA distributions up to the amount you paid for qualified **higher education expenses** during the year, unless paid with tax-free education aid or Pell grant.[2,5]
09	IRA distributions made for purchase of a **first home**, up to $10,000 per taxpayer and paid within 120 days of distribution.
10	Distributions due to an **IRS levy** on the qualified retirement plan.
11	Qualified distributions to **reservists while serving on active duty** for at least 180 days.
12	Distributions **incorrectly indicated as early distributions by code 1, J, or S** in box 7 of Form 1099-R. Include on line 2 the amount you received when you were age 59½ or older.
13	Distributions **from a section 457 plan, which aren't from a rollover** from a qualified retirement plan.
14	Distributions from a plan maintained by an employer if you separated from service by March 1, 1986, and • as of March 1, 1986, your entire interest was in pay status under a written election that provides a specific schedule for the distribution of your entire interest, and • the distribution is actually being made under the written election.
15	Distributions that are **dividends paid with respect to stock described in section 404(k)**.
16	Distributions from **annuity contracts to the extent that the distributions are allocable to the investment** in the contract before August 14, 1982. For additional exceptions that apply to annuities, see "Tax on Early Distributions under Special Additional Taxes" in **Pub. 575**.
17	Distributions that are **phased retirement annuity payments made to federal employees**. See **Pub. 721** for more information on the phased retirement program.
18	**Permissible withdrawals under section 414(w)** from eligible automatic contribution arrangements.
19	**Qualified birth or adoption distributions**. Include an explanation that provides the name, age, and TIN of the child or eligible adoptee.[6]
20	**Distributions due to terminal illness**. Must be made after the date on which your physician has certified that you have an illness or physical condition that can reasonably be expected to result in death in 84 months or less after the date of the certification.[7]
21	**Corrective distributions of the income on excess contributions** distributed before the due date of the tax return (including extensions).
22	**Qualified distributions to victims of domestic abuse** – a distribution made to an individual from an applicable eligible retirement plan during the 1-year period beginning on any date on which the individual is a victim of domestic abuse by a spouse or domestic partner. Limited to the lesser of $10,300 or half the account balance.[8] See **Notice 2024-55**.
23	**Eligible emergency expense distribution** from an applicable eligible retirement plan for the purpose of meeting the unforeseeable or immediate financial needs relating to necessary personal or family emergency expenses.[8,9]
99	**More than one exception applies** (and claimed). To aid in QR, add a preparer's note in TaxSlayer listing the amount of each exception.

See next page for footnotes

Early Distribution Exception Codes (cont'd)

Footnotes for previous table

[1] Only applies if taxpayer was considered **disabled** when the distribution occurred; it does not apply if the disability occurred after the distribution. You are considered disabled if you can furnish proof that you can't do any substantial gainful activity because of your physical or mental condition. A medical determination that your condition can be expected to result in death or to be of long, continued, and indefinite duration must be made.

[2] For **exception codes 05, 07 and 08**, the distributions do not have to be specifically for the stated expenses, but the distribution and the expenses must occur in same tax year.

[3] Qualified retirement plan distributions up to the amount paid for **unreimbursed medical expenses** during the year (those you would be able to include in figuring a deduction for medical expenses on Schedule A) minus 7.5% of adjusted gross income (AGI) for the year. Applies to IRA and employer plan distributions. The same medical expenses used for exception code 05 may also be claimed on Schedule A if itemizing.

Example: A 50-year-old withdrew $10K from her 401(k) to buy a car. Her AGI is $38K and she had $8K of unreimbursed medical expenses:

Item	Amount
Early distribution included in income	**$10,000**
Amount of medical expenses that can be applied to this exception	$8,000 - (0.075 x $38,000) = $8,000 - $2,850 = **$5,150**
Amount subject to additional tax	$10,000 - $5,150 = **$4,850**
10% Additional tax	**$485**

[4] **Medical insurance** for yourself, your spouse, and your dependents (no 7.5% of AGI reduction). All of the following conditions must apply:

- You lost your job.
- You received unemployment compensation paid under any federal or state law for 12 consecutive weeks because you lost your job.
- You receive the distributions during either the year you received the unemployment compensation or the following year.
- You receive the distributions no later than 60 days after you have been reemployed.

[5] Applies to **qualified higher education expenses** paid for taxpayer, spouse, or either's child, foster child, adopted child, or grandchild. The student does not have to be a dependent, but must be related in one of these ways. Other than room and board, qualified education expenses used for exception code 08 are also available for an education credit or deduction. Room and board are qualified education expenses for this exception if the student is at least a half-time student, but only up to the greater of the following two amounts:

- The actual amount charged if the student is residing in housing owned or operated by the educational institution.
- The allowance for food and housing (room and board) specified by the educational institution in their cost of attendance (COA) for federal financial aid purposes for the academic period of attendance and the student's living arrangement (e.g. on-campus housing, commuting, etc.). Taxpayer must obtain the COA from the student's institution (see *example* from **UCLA**).

Example: At age 54, Bob withdrew $10,000 from his traditional IRA to buy a hot tub. His son Jim incurred $9,000 in college tuition and book expenses as a half-time student at a local college. $6,000 of that was paid with a Pell grant and Bob paid the remaining $3,000 via a parent PLUS loan. That $3,000 qualifies for exception code 08 and additionally can be used to claim an education credit. Jim's room and board expenses, limited based on his living arrangement as described above, also qualify for exception code 08 to further reduce or eliminate Bob's early withdrawal penalty.

[6] Applies to distributions from IRAs or employer defined contribution plans (not pension plans). The limit is $5,000 for the **birth or adoption** per eligible child. Each spouse can use this exception. The distribution must be made within one year after the child is born or the adoption is finalized. Include explanation using navigation: Miscellaneous Forms>Explanations>Regulatory Explanations.

[7] See certification of terminal illness in **Publication 590-B** for requirements of physician's signed statement.

[8] The account balance is the total account balance for distributions from an IRA, or the employee's nonforfeitable accrued benefit (vested accrued benefit) for distributions from an employer plan. Otherwise permissible distributions from plans that do not allow **qualified distributions to victims of domestic abuse** or **emergency expense distributions** can be treated as such a distribution by using exception code 22 or 23.

[9] **Emergency personal expense distributions** are subject to three limitations:

a. No more than one distribution per calendar year is permitted to be treated as an emergency personal expense distribution by any individual.

b. The limit is the lesser of $1,000 or the amount by which the account balance[8] exceeds $1,000 as of the distribution date; e.g., if the account balance is $1,300 at the time of distribution, then the maximum emergency expense distribution is $300.

c. A subsequent emergency personal expense distribution cannot be taken in the following 3 calendar years unless the prior distribution was fully repaid or the taxpayer made plan contributions or deferrals equal to the amount not repaid.

See **Notice 2024-55**. The 7.5% of AGI reduction to unreimbursed medical expenses described in note 3 above does not apply to emergency personal expense distributions.

(A) Additional Taxes on Health Savings Accounts (HSAs)

Additional taxes for HSA distributions not used for qualified medical expenses are reported on Form 1040 Schedule 2, Additional Taxes. All other additional taxes on HSAs are Out of Scope. The additional 20% tax does not apply to distributions made after the account beneficiary dies, becomes disabled, or turns age 65. See page E-10 for more details about HSAs.

Form 5329, Part VII (Additional Tax on Excess Contributions to HSAs) is Out of Scope

Repayment of Certain Distributions

Qualified Reservist Distributions may be repaid up to and including the date that is 2 years after your active duty period ends. Include the amount of the repayment as a nondeductible contribution on line 1 of Form 8606, Nondeductible IRAs. See **Publication 3** for more information.

Qualified Birth or Adoption, Terminal Illness, Emergency Personal Expense, and Domestic Abuse Victim Distributions may be repaid at any time during the 3-year period beginning on the day after the date on which the distribution was received. However, for Qualified Birth or Adoption Distributions made on or before December 29, 2022, the repayment deadline is December 31, 2025. To report these repayments in TaxSlayer:

- Enter the Form 1099-R in the return for the tax year the distribution was made. If the repayment occurred after that return was filed, you'll need to amend it.
- Within that Form 1099-R entry, indicate the amount repaid as a rollover (and reduce the taxable amount accordingly). This is not subject to the one-rollover-per-year limitation.
- If the distribution came from an IRA with basis, additional requirements apply. Refer to *Certain 20XX retirement plan distribution repayments* in the **Instructions for Form 8606**.

The following are Out of Scope:

- Repayments of nonqualified distributions from Roth IRAs (requires OOS Part III of Form 8606)
- Repayments of Qualified Disaster Distributions (requires OOS Form 8915-F)

Required Minimum Distributions (RMDs)

Required minimum distributions (RMDs) are the minimum amounts you must withdraw from your IRAs and other retirement accounts each year. The age when RMDs begin generally depends on the date of birth as shown here.

Date of Birth	RMD Age
Before July 1, 1949	70½
July 1, 1949 – December 31, 1950	72
January 1, 1951 – December 31, 1959	73
January 1, 1960 or later	75

RMD deadlines: The first RMD must be taken by April 1st of the year after you reach your RMD age, with the second RMD due by December 31st of the same year. Subsequent RMDs are due by December 31st of each following year. For example, a taxpayer who **turned 73 in 2025** must take their first RMD (for 2025) by 4/1/2026 and their second RMD (for 2026) by 12/31/2026. A taxpayer who **turned 73 before 2025** must have taken their 2025 RMD by 12/31/2025.

The RMD rules for inherited retirement accounts depend on the relationship and age of the beneficiary and are beyond our scope (refer taxpayers to their trustee for questions about inherited account RMDs).

Withdrawals from Roth IRAs and Designated Roth accounts (401(k) or 403(b)) are not required until after the death of the account owner. However, their beneficiaries are subject to RMD rules.

Participants in a workplace retirement plan can delay taking their RMDs until the year they retire (taken by April 1st of the following year), unless they're a 5% owner of the business sponsoring the plan.

(A) Failure to Take Required Minimum Distribution (RMD)

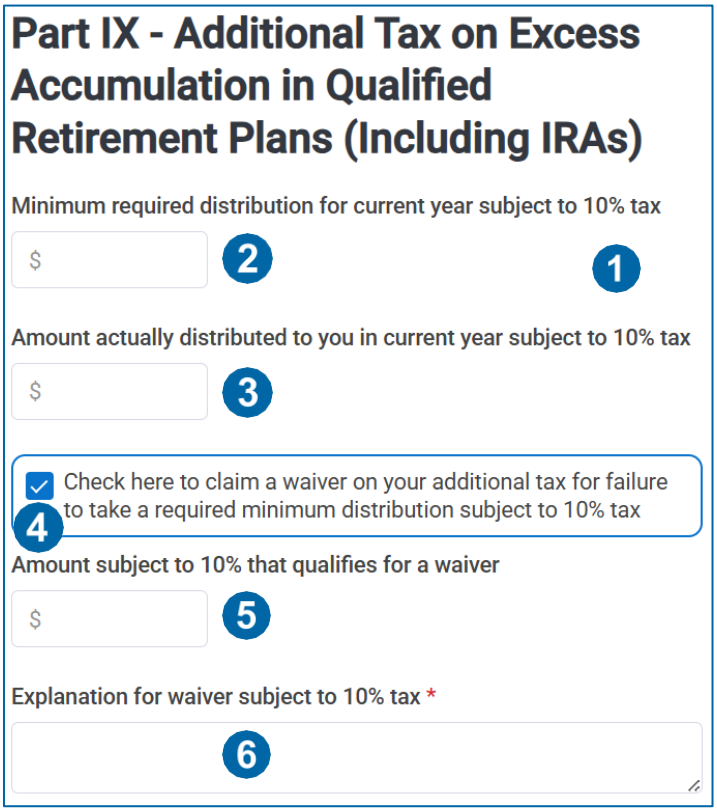
Other Taxes>Tax on Early Distribution; or Keyword: 5329

The return is Out of Scope if the taxpayer failed to take their RMD from an IRA or other qualified retirement plan by the RMD deadline, unless the failure was due to a reasonable error and a waiver is requested for the shortfall. A waiver can be requested by filing Form 5329, Part IX.

First, determine if the missed RMD was later fully distributed within the correction window. This window spans from the missed RMD deadline to the earliest of the following:

- The end of the second year after the year in which the additional tax is due. For example, if the RMD deadline was 12/31/2025 (or 4/1/2025 for a first RMD for 2024), this would be 12/31/2027.
- The date the IRS mailed a deficiency notice regarding the imposition of this additional tax.
- The date the IRS assessed this additional tax.

1. Make sure to use the applicable section of the Form 5329, Part IX screen in TaxSlayer. *For late RMDs that were fully distributed within the correction window*, use the top section (indicated by "10%" in five places, as shown in the screenshot to the right). For all other late RMDs, use the bottom section, which reflects a 25% tax (not shown, but identical to the top section except it says "25%" instead of "10%").
2. Enter the RMD amount.
3. Enter the amount of any partial distribution taken *during the tax year*, or leave blank if none of the RMD was taken. Do not include amounts distributed late.
4. Check the box to claim a waiver.
5. Enter the difference between #2 and #3.
6. Describe the reason(s) for not taking the RMD by the deadline (illness, relied on trustee, clerical error in calculation, etc.).

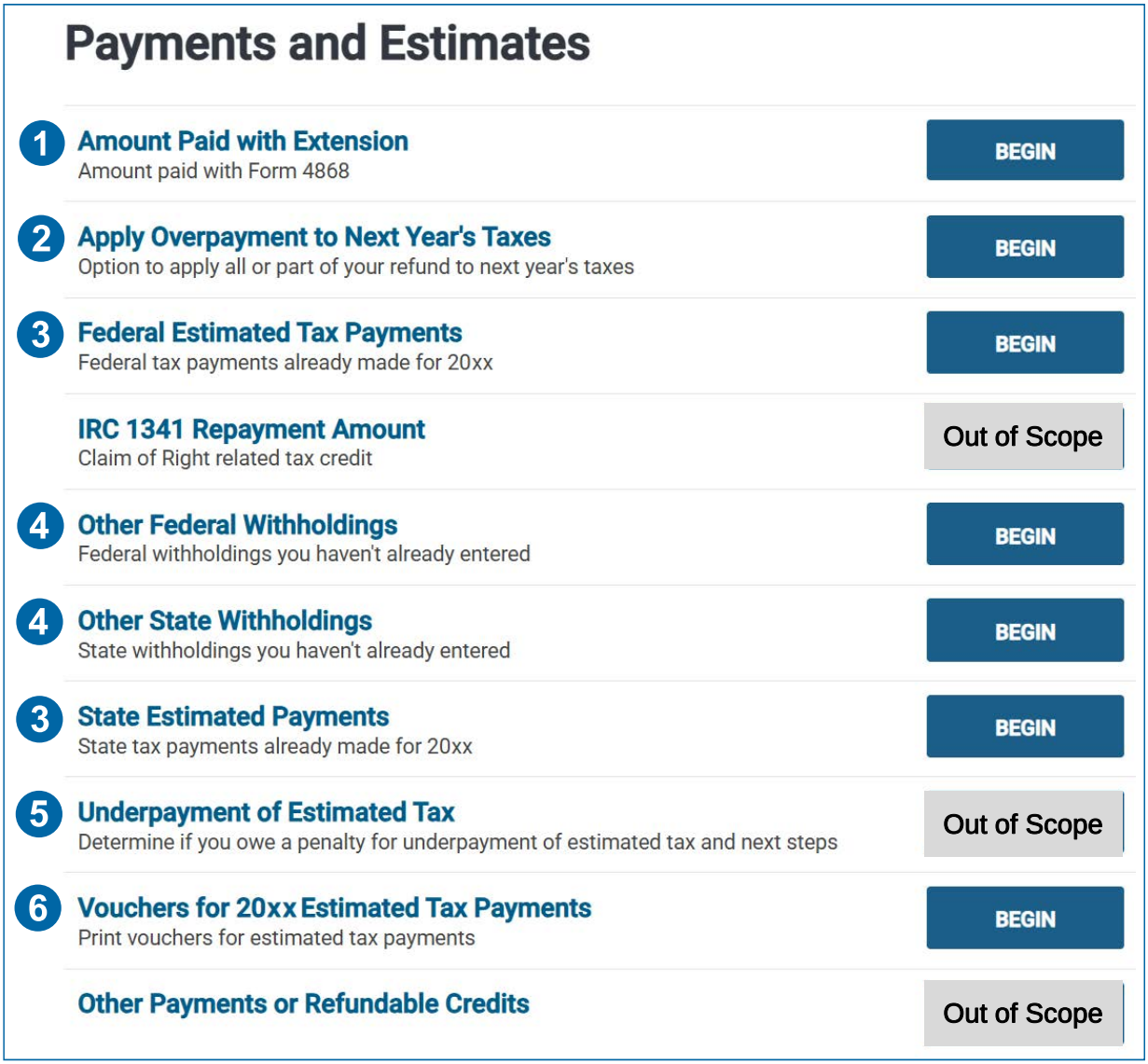


To be eligible for the waiver, the taxpayer must take the missed RMD as soon as possible, even if the correction window has passed. This is in addition to taking the current year RMD and can be done in a separate or single, combined distribution.

IRA trustees are required to inform owners or beneficiaries of the RMD for the year using Form 5498 or similar statement. It is the owner's/beneficiary's responsibility to arrange to take their RMD.

(B) Payments and Estimates

Federal Section>Payments & Estimates

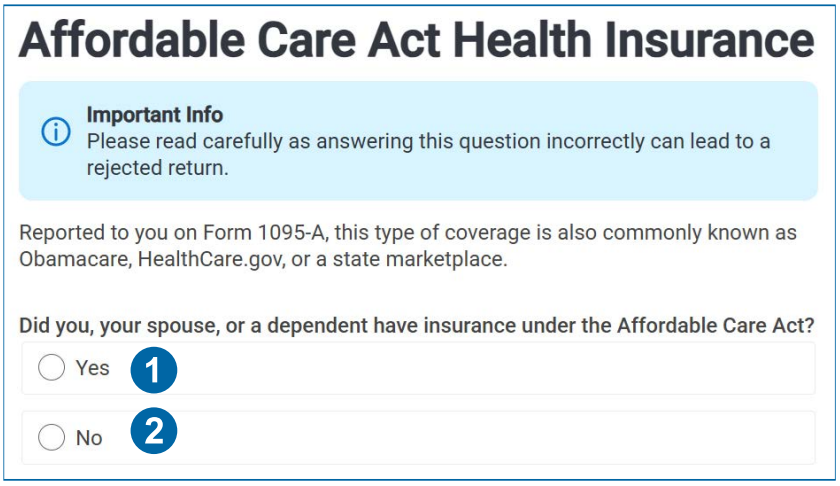


1. Amount Paid with Extension – Directly enter any payment made. When preparing a prior year return, remember to ask if payments have been made.
2. Amount to be Applied to 2026 Estimated Tax. Enter the amount of overpayment to apply to 2026. (To apply state refunds to next year's taxes, go to State>Payments>Apply Your State Refund.)
3. 2025 Estimated Tax Payments – Federal and/or State – Open Federal Estimated Payments for 2025 or State Estimated Payments and enter any refund amount from last year that was credited toward estimated taxes for the current year. Also enter actual amount paid in each quarter.
4. Federal or State Income Tax Withheld – Entered automatically from the entries made on Forms W-2, 1099, SSA 1099, etc. For Form 1099 withholding not listed elsewhere, enter in Other Federal Withholdings or Other State Withholdings.
5. Form 2210, Underpayment of Estimated Tax, is Out of Scope. If the taxpayer is subject to a penalty for underpayment of estimated tax, the IRS will calculate the amount due and send the taxpayer a notice (inform the taxpayer of this possibility).
6. Select to print **Form 1040-ES**, federal estimated tax vouchers for 2026. See page K-29, Finishing the Return, Estimated Tax Payments page.

(A) Premium Tax Credit (PTC)

Access the Health Insurance section from the navigation menu on the left side of the screen

1. Answer **Yes** if Form 1095-A, Health Insurance Marketplace Statement, was received for coverage of the taxpayer, taxpayer's spouse if taxpayer is filing a joint return, or a dependent for any part of the year.
2. If the taxpayer applied for coverage via the Marketplace but was instead enrolled in Medicaid, answer **No**.

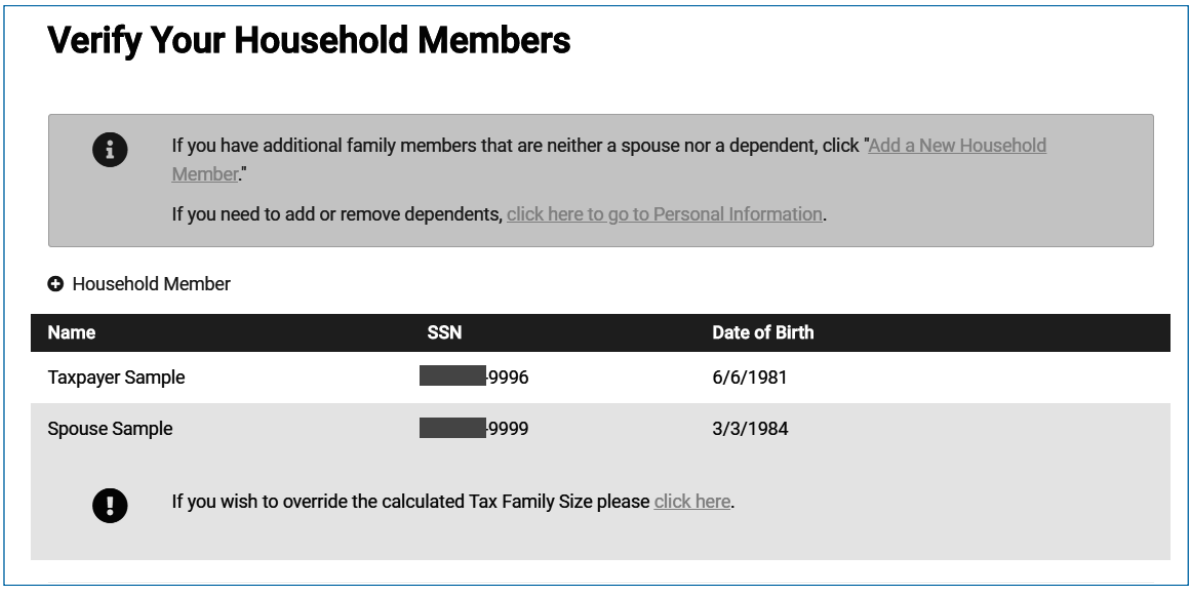


Answer **No** if you (and your spouse if filing jointly) are claimed as a dependent on another person's tax return (see #2 on page B-21). The person who claims you will file Form 8962 to take the PTC and, if necessary, repay excess APTC for your coverage. You do not need to file Form 8962.

A **Yes** answer will lead to additional screens and require entry of information from Form 1095-A. If taxpayers answer **No**, no further action is necessary.

If the federal return is rejected because **Form 8962** is missing and the taxpayer, spouse, or dependent confirms that they did not have Marketplace coverage at any time during the tax year, go to the Health Insurance section and re-answer the questions presented. If no tax family member had coverage, click the appropriate option and the return can be e-filed a second time

If Marketplace fraud is suspected then the taxpayer should also contact the Marketplace. For more information taxpayers can refer to: **www.healthcare.gov/protect-from-fraud-and-scams/**.



Never override the calculated tax family size.

Premium Tax Credit: Form 1095-A Overview

A taxpayer who purchased insurance for himself/herself or for a dependent through the Marketplace will receive Form 1095-A. If advance payments of the premium tax credit (APTC) were made for coverage of the taxpayer or a dependent, the taxpayer must complete Form 8962, Premium Tax Credit (PTC). You cannot prepare the return for taxpayers who received the benefit of APTC for themselves or a dependent without Form(s) 1095-A.

Carefully examine Form 1095-A to make sure it reflects the taxpayer's account of coverage. Look for critical errors that will affect the PTC calculation, such as errors in enrollment premiums, second lowest cost silver plan (SLCSP) premiums, or APTC.

Examine these areas:

- Recipient information (Part I)
- Policy start or end date (Part I, Part II)
- Covered individuals (Part II) – Are all listed individuals included in this tax return?
- Premium cost (Part III, Column A)
- APTC (Part III, Column C)

Marketplace call center:

1-800-318-2596 (TTY: 1-855-889-4325)
For states not using Healthcare.gov, look up state Marketplace at Healthcare.gov

To obtain an original or corrected Form 1095-A the taxpayer can log into his or her online account, or call the Marketplace call center.

Form **1095-A**

Department of the Treasury
Internal Revenue Service

Health Insurance Marketplace Statement

Do not attach to your tax return. Keep for your records.
Go to *www.irs.gov/Form1095A* for instructions and the latest information.

☐ VOID
☐ CORRECTED

OMB No. 1545-2232

20**XX**

Part I **Recipient Information**

1 Marketplace identifier	**2** Marketplace-assigned policy number	**3** Policy issuer's name	
4 Recipient's name		**5** Recipient's SSN	**6** Recipient's date of birth
7 Recipient's spouse's name		**8** Recipient's spouse's SSN	**9** Recipient's spouse's date of birth
10 Policy start date	**11** Policy termination date	**12** Street address (including apartment no.)	
13 City or town	**14** State or province	**15** Country and ZIP or foreign postal code	

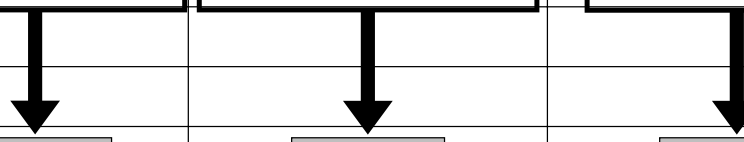
Part II **Covered Individuals**

	A. Covered individual name	**B.** Covered individual SSN	**C.** Covered individual date of birth	**D.** Coverage start date	**E.** Coverage termination date
16					
17					
18					
19					
20					

Premium Tax Credit: Form 1095-A Overview (cont'd)

Part III **Coverage Information**

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			
24 April			
25 May			
26 June			
27 July			
28 August			
29 September			
30 October			
31 November			



Column A – Monthly Premium: These are the monthly enrollment premiums for the policy in which the individuals are covered. This is the full premium, including the amount paid by APTC for essential health benefits. The amount does not include the cost of certain “extra” benefits such as adult dental coverage. It may not match the taxpayer’s actual monthly premium.

Column B – Monthly SLCSP premium: If this column is blank and the individual is enrolled in a plan through a federally facilitated Marketplace, go to Healthcare.gov and use the tax tool to find the SLCSP premium to enter in Column B. If the individuals enrolled through a state-based Marketplace, go to the state’s website or call your state’s marketplace to determine the SLCSP premium. The SLCSP premium is the premium for the second lowest cost silver-level plan that covers all the members of the coverage family.

You may need to look up the SLCSP premium if:

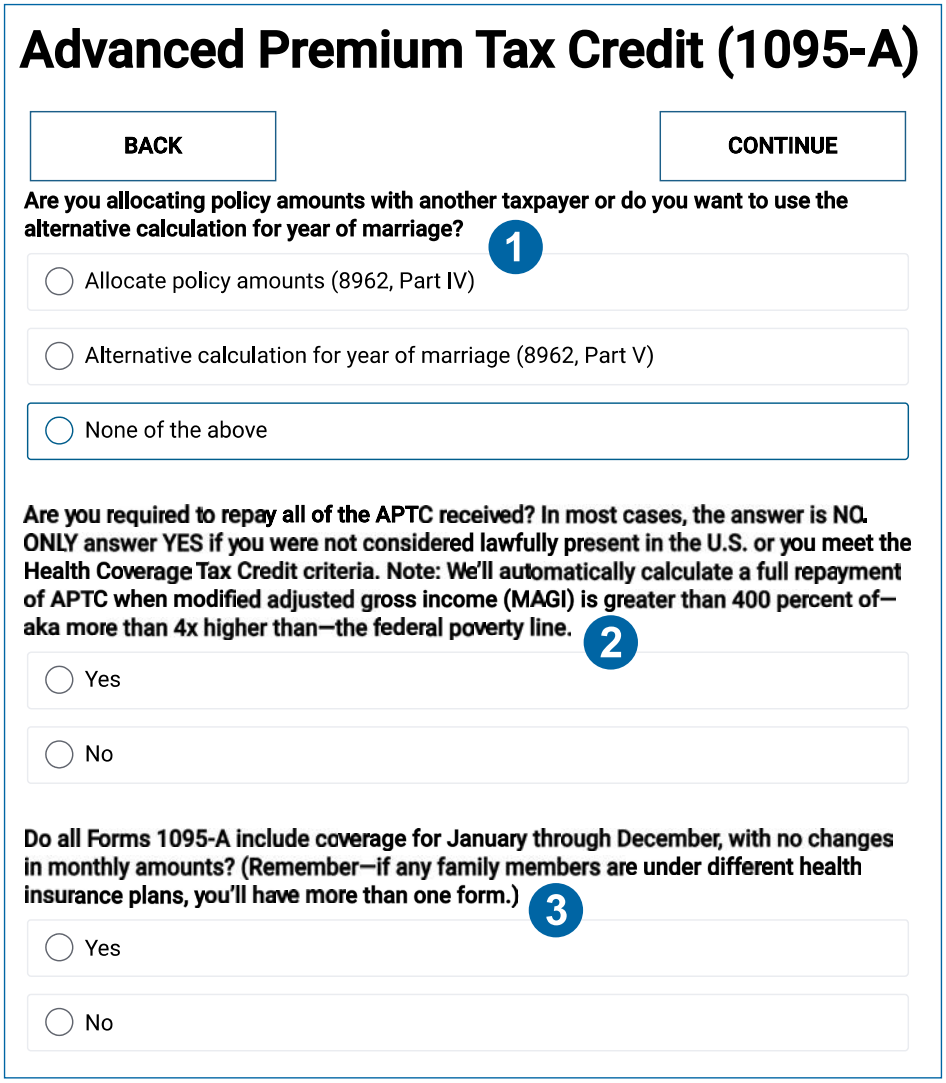
- It is incorrect, perhaps because a change in family size was not reported. See "Change in coverage family," later in this section.
- It is missing. When someone paid the full premium because he or she did not request APTC, Marketplaces routinely leave this space blank.
- There are multiple Forms 1095-A with conflicting information or the taxpayer otherwise thinks it’s incorrect.

Column C – Advance payment of PTC

The taxpayer should seek a corrected Form 1095-A if information is incorrect, except for SLCSP premium information that can be completed or fixed.

A person may be entitled to PTC even if no APTC was paid for the coverage. Do not assume someone is ineligible for PTC just because Columns B and C of Form 1095-A are blank. If an individual meets all the eligibility rules in the Form 8962 instructions but only the enrollment premium amounts in Column A appear on Form 1095-A and Columns B and C are blank, look up the person’s SLCSP premiums and enter them on the 1095-A screen in the SLCSP section.

For taxpayers who purchased insurance through the Marketplace, complete this screen using their Form 1095-A.



1. Allocation of policy amounts and alternative calculation for year of marriage are Out of Scope. See next page for more details.
2. This question appears for all taxpayers with APTC. This question is really asking whether the taxpayer is liable for unlimited APTC repayment. **Answer NO in most cases**. Only answer **YES** if all individuals on the tax return for whom APTC was paid are not lawfully present in the United States. See **Publication 974** if some, but not all of the covered individuals listed on Form 1095-A were not lawfully present in the U.S.
3. If Form 1095-A Part III shows full-year coverage with the same monthly enrollment premium (column A) and the same monthly SLCSP premium (column B) for all 12 months, select **YES** and enter the three annual totals below even if the monthly amount in column C varies. Otherwise, select **NO** and enter monthly amounts. If one or more of the amounts in column B is incorrect and the correct SLCSP premium amounts are not the same for all 12 months, select **NO**.

If the taxpayer is Married Filing Separately a checkbox will appear on this screen. If the taxpayer cannot file a joint return because of **domestic abuse or spousal abandonment** check the box. See **Instructions for Form 8962**, Premium Tax Credit for details. If a taxpayer is Married Filing Separately and is not eligible for relief, he/she is not eligible for a premium tax credit and must repay APTC, subject to the repayment limitation (however, the return **may** be Out of Scope due to requiring allocation of policy amounts, see next page). Also see "Consider married filing separately," on page H-23.

If the taxpayer's income is below 100% of the FPL, the following additional question will appear before #3: *Did you receive the Advanced Premium Tax Credit (APTC) OR do you meet the requirements for "Alien lawfully present in the United States"? In most cases, the answer is YES. Only answer NO if (i) on your Form 1095-A, lines 21 through 33 in Part III, Column C "Monthly advance payment of premium tax credit" are 0 or blank, AND (ii) you are not an alien ineligible for Medicaid because of immigration status?*

Answer YES in most cases. Only answer NO if no APTC was paid and none of the individuals on the taxpayer's Form 1095-A were lawfully present but ineligible for Medicaid.

Premium Tax Credit – Out of Scope Situations

Allocation of Policy Amounts (Shared Policy)

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

- A person on this tax return was enrolled in another taxpayer's Marketplace coverage (the person is listed on a Form 1095-A sent to a taxpayer not on this tax return), or,
- The 1095-A lists a covered person who is not on this tax return as the taxpayer, spouse (if filing jointly), or a claimed dependent. However, if the taxpayer enrolled a covered person in the Marketplace who does not appear on any tax return, see *An unclaimed dependent on Form 1095-A* in the *Premium Tax Credit* lesson of the **NTTC 4491**. If such a covered person could be claimed as a dependent by any taxpayer, but will not be, then include their APTC on this tax return (do not include this non-dependent's enrollment premiums or MAGI).

Alternative Calculation for Year of Marriage

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

- Taxpayers got married during 2025, are filing a joint return for 2025, and both spouses were unmarried as of January 1, 2025, and
- A member of the taxpayers' tax family was enrolled in a qualified health plan for which APTC was paid for months prior to the first full month of marriage, and
- Taxpayers have excess APTC (their APTC exceeds their allowed PTC).

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

Self-employed Taxpayers

Self-employed taxpayers can deduct their health insurance premiums as an adjustment to gross income. When a taxpayer is eligible for PTC, the computation of each is a circular calculation and the return is Out of Scope. Exception: return remains in scope if the allowable self-employed health insurance (SEHI) deduction limit is fully met by eligible non-Marketplace insurance, such as LTC insurance, Medicare, etc. See page D-34.

See **Publication 974**, Premium Tax Credit (PTC), for more details about these out of scope topics.

Form **8962**

Department of the Treasury
Internal Revenue Service

Premium Tax Credit (PTC)

▶ Attach to Form 1040, 1040-SR, or 1040-NR.
▶ Go to *www.irs.gov/Form8962* for instructions and the latest information.

OMB No. 1545-0074

20XX

Attachment Sequence No. 73

Name shown on your return | Your social security number

A. If you, or your spouse (if filing a joint return), received, or were approved to receive, unemployment compensation for any week beginning during 2021, check the box. See instructions . . . . . ▶ ☐ (1)

B. You cannot take the PTC if your filing status is married filing separately unless you qualify for an exception. See instructions. If you qualify, check the box ▶ ☐

Part I Annual and Monthly Contribution Amount

1	Tax family size. Enter your tax family size. See instructions			1	
2a	Modified AGI. Enter your modified AGI. See instructions	2a			
b	Enter the total of your dependents' modified AGI. See instructions (2)	2b			
3	Household income. Add the amounts on lines 2a and 2b. See instructions			3	
4	Federal poverty line. Enter the federal poverty line amount from Table 1-1, 1-2, or 1-3. See instructions. Check the appropriate box for the federal poverty table used. **a** ☐ Alaska **b** ☐ Hawaii **c** ☐ Other 48 states and DC			4	
5	Household income as a percentage of federal poverty line (see instructions)			5	%
6	Reserved for future use				
7	Applicable figure. Using your line 5 percentage, locate your "applicable figure" on the table in the instructions			7	
8a	Annual contribution amount. Multiply line 3 by line 7. Round to nearest whole dollar amount	8a	**b** Monthly contribution amount. Divide line 8a by 12. Round to nearest whole dollar amount	8b	

Part II Premium Tax Credit Claim and Reconciliation of Advance Pay… Credit

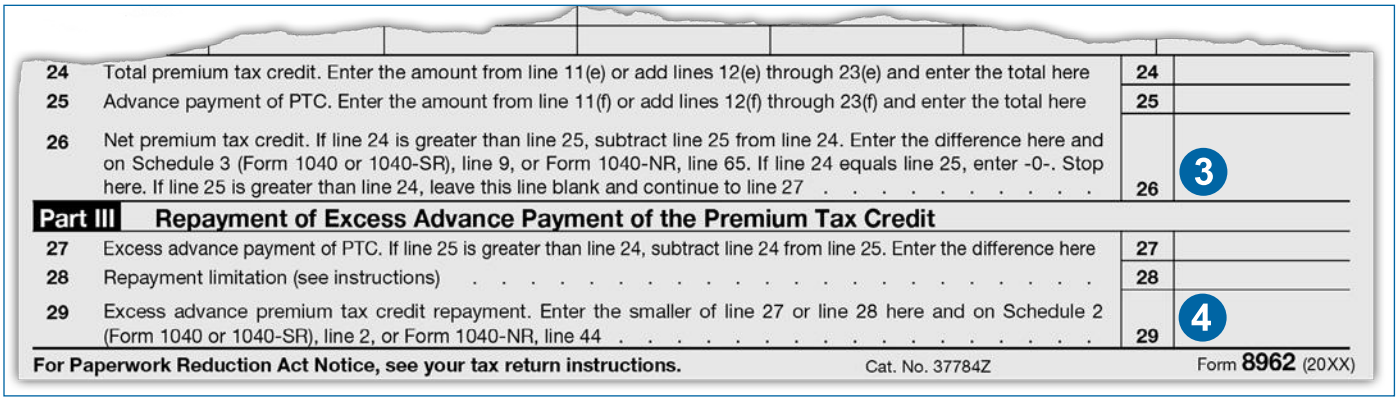
1. If a taxpayer is MFS and is eligible for relief from the requirement to file MFJ because of spousal abuse or abandonment, this box should be checked. If MFS but not eligible for relief, he/she is not eligible for a PTC and must repay APTC, subject to the repayment limitation. Refer taxpayer to Part IV, Allocation Situation 2, of the Form 8962 instructions to determine the amount of APTC the taxpayer must repay (Out of Scope).
2. The dependents' MAGI should appear on line 2b ONLY IF the dependents' gross income is above the filing threshold. See page A-4, Who Must File, Chart B - For Children and Other Dependents.

Form 8962, Line 7 will be determined automatically by TaxSlayer.

Household income is MAGI of taxpayer (and spouse if filing jointly) plus MAGI of dependents claimed by the taxpayer who are required to file a return because the dependent's gross income is above the tax return filing threshold. **MAGI** is:

- Adjusted Gross Income (AGI), plus
- Tax-exempt interest, plus
- The nontaxable portion of Social Security benefits, plus
- Excluded foreign earned income

Premium Tax Credit, Form 8962 (cont'd)



24	Total premium tax credit. Enter the amount from line 11(e) or add lines 12(e) through 23(e) and enter the total here	24	
25	Advance payment of PTC. Enter the amount from line 11(f) or add lines 12(f) through 23(f) and enter the total here	25	
26	Net premium tax credit. If line 24 is greater than line 25, subtract line 25 from line 24. Enter the difference here and on Schedule 3 (Form 1040 or 1040-SR), line 9, or Form 1040-NR, line 65. If line 24 equals line 25, enter -0-. Stop here. If line 25 is greater than line 24, leave this line blank and continue to line 27	26	3
Part III	**Repayment of Excess Advance Payment of the Premium Tax Credit**		
27	Excess advance payment of PTC. If line 25 is greater than line 24, subtract line 24 from line 25. Enter the difference here	27	
28	Repayment limitation (see instructions)	28	
29	Excess advance premium tax credit repayment. Enter the smaller of line 27 or line 28 here and on Schedule 2 (Form 1040 or 1040-SR), line 2, or Form 1040-NR, line 44	29	4

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 37784Z Form **8962** (20XX)

3. The net premium tax credit a taxpayer can claim (the excess of the taxpayer's premium tax credit over APTC) will appear on Form 1040, Schedule 3, line 9. This amount will increase taxpayer's refund or reduce the balance due.
4. The amount of excess APTC (amount by which APTC exceeds the taxpayer's premium tax credit) that needs to be repaid will appear on Form 1040, Schedule 2, line 1a.

If a taxpayer must repay APTC or gets additional PTC, remember to adjust the insurance premium deduction on Schedule A if itemizing. Increase the deduction for APTC repayment (Schedule 2, line 1a); decrease the deduction for additional PTC (Schedule 3, line 9).

See Instructions for Form 8962 and Publication 974, Premium Tax Credit, for additional information.

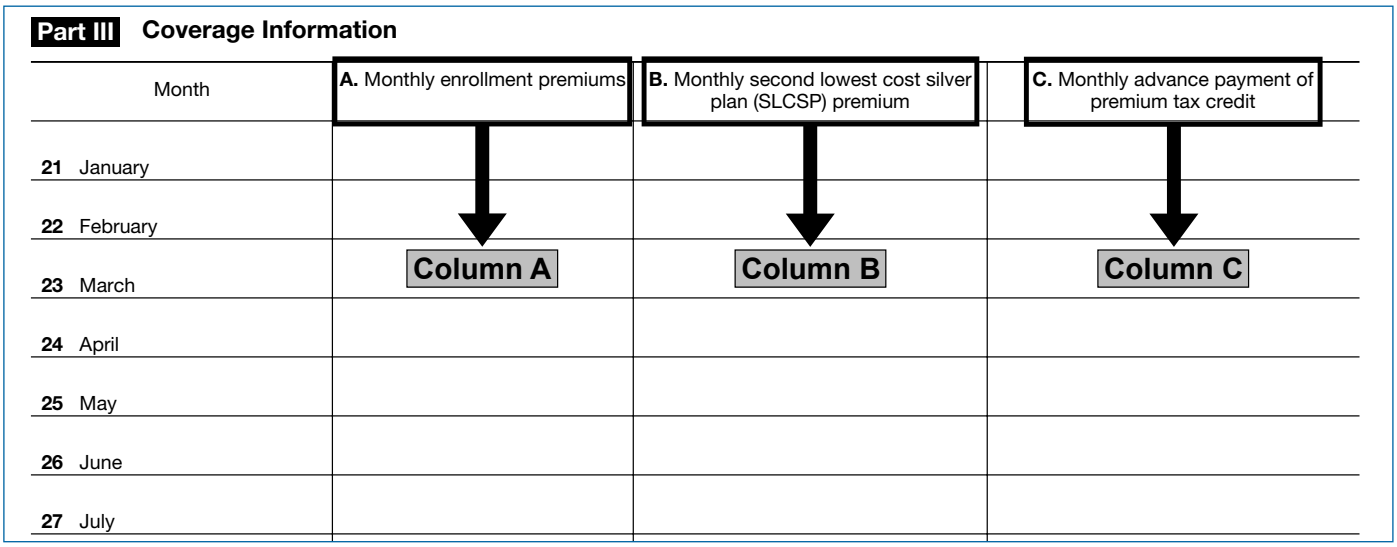
Multiple Forms 1095-A

Some taxpayers will have multiple Forms 1095-A. This will happen if the taxpayer:

- Changed Marketplace plans during the year
- Updated their application with new information that resulted in a new enrollment
- Had family members enrolled in different Marketplace plans
- Had more than 5 family members in the same plan

Entering multiple Forms 1095-A on one Form 8962

Only one Form 8962 may be submitted with the tax return. Make sure everyone on each Form 1095-A is also on the tax return. If not, this may require the taxpayer to allocate policy amounts with another taxpayer, which makes this return Out of Scope.



Column A: Add the premiums together.

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

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

The taxpayer stopped paying premiums

What you'll see:

Numbers in Columns B and C but no premium in Column A (-0-) for a month on Form 1095-A, Part III

Sample Form 1095-A: PART III

Part III Coverage Information

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	$301	$288	$87
23 March	$301	$288	$87
24 April	$301	$288	$87
25 May	- 0 -	$288	$87
26 June			
27 July			
28 August			
29 September			
30 October			
31 November			
32 December			

What to do:

- The taxpayer can only claim a PTC for a month of enrollment if the premium for the month is paid by the tax return due date (without extensions). If the APTC covers most of the premium, it may be more cost-effective to pay the premium than to repay the APTC. When the taxpayer pays the premium, they need to get a corrected Form 1095-A. Failure to get a corrected Form 1095-A may result in an IRS notice.
    - An exception for policies that remained in force with partial payment is described in *Enrollment premiums* in the **Form 8962 instructions**. If that exception applies, reduce the amount in Column A by any portion of the premium that is unpaid.
- If the premium payment has not and will not be made, enter -0- in Column A and Column B for the month and enter the APTC for the month in Column C.

If there are consecutive months with no premium payment, there is likely an error on Form 1095-A.

The taxpayer is ineligible for the PTC for one or more months

See *Who Can Take the PTC* in the **Form 8962 instructions**. Enter -0- in Column B for any months the taxpayer was ineligible.

Change in coverage family

If your coverage family changed during the year and this was not timely reported to the Marketplace, then the SLCSP entry for Column B must be adjusted accordingly:

- For months where the SLCSP is correctly shown in Column B, use the reported amount.
- For months where the actual coverage family size was zero, enter -0- in Column B.
- Otherwise look up and enter the SLCSP in Column B applicable for that month's coverage family.

For more details, see the **Instructions for Form 8962**, Coverage family. See also Overlapping Coverage on the next page.

PTC Eligibility – QSEHRA

Employers may offer a Qualified Small Employer Health Reimbursement Arrangement (QSEHRA) to their eligible employees. Under a QSEHRA, an eligible employer can reimburse eligible employees for health care costs, including premiums for Marketplace health insurance. If taxpayers were covered under a QSEHRA, their employer should have reported the annual permitted benefit in box 12 of Form W-2 with code FF. If the QSEHRA is affordable for a month, no PTC is allowed for the month. If the QSEHRA is unaffordable for a month, taxpayers must reduce the monthly PTC (but not below -0-) by the monthly permitted benefit amount. **If there is a code FF on Form W-2 box 12, the employee has a Marketplace policy and is otherwise eligible for PTC, the return is Out of Scope**.

PTC Eligibility – ICHRA

Employers may offer an Individual Coverage Health Reimbursement Arrangement (ICHRA) to reimburse their employees for individual market coverage, including premiums for Marketplace health insurance. An ICHRA is considered affordable if the employee's monthly premium for the lowest-cost silver plan offered by the employee's Marketplace, after subtracting the employer's ICHRA contribution, does not exceed the employee's required contribution (household income times the applicable figure in the **Form 8962 Instructions**). If the ICHRA is affordable for a month, no PTC is allowed for the month for the Marketplace coverage of those offered the ICHRA. If the ICHRA is unaffordable for a month, a PTC may be allowed for those offered the ICHRA only if the employee opted out of the employer's ICHRA. **This is Out of Scope.**

Overlapping Coverage

There are special rules for taxpayers who wish to claim PTC when they had another offer of coverage. See **Publication 974** for additional information. If applicable, see *The taxpayer is ineligible for the PTC for one or more months* on the prior page.

In general:

- A person who is eligible for PTC and becomes eligible for other coverage after the first day of the month can claim PTC for that month.
- If a person eligible for PTC for whom APTC is being paid informs the Marketplace that he or she is now eligible for other minimum essential coverage and APTC should be discontinued, and the Marketplace does not discontinue APTC by the first day of the following month, the person remains eligible for PTC until the first day of the second month the individual may enroll in other coverage.

Employer-sponsored coverage:

- Except as provided above (a person for whom APTC is being paid informs the Marketplace that he or she is now eligible for other minimum essential coverage and APTC should be discontinued), a person cannot claim PTC for his or her Marketplace coverage for any full month the person was enrolled in employer-sponsored coverage; if APTC was paid for a person's Marketplace coverage for a month the person was enrolled in employer-sponsored coverage, it must be repaid (unless the person informed the Marketplace of the eligibility and the APTC was not discontinued, as noted above) up to the repayment limitation.
- PTC can be claimed for an individual who was eligible for, but not enrolled in, employer-sponsored coverage only if:
  - The employer coverage was unaffordable, or
  - The taxpayer advised the Marketplace of the employer offer and the Marketplace determined the coverage was unaffordable for the employee (see Exception below), or
  - The coverage did not provide a minimum level of benefits, referred to as "minimum value." A taxpayer can check with the employer if he or she suspects coverage did not meet minimum standards.

- **Exception**: A person who is eligible for employer-sponsored coverage and gave the Marketplace accurate information about the offer of coverage but was still determined eligible for APTC can claim PTC for his or her Marketplace coverage, if otherwise eligible, even if the employer coverage is affordable based on the taxpayer's actual household income.
- See **Publication 974** for more information and special rules on employer-sponsored coverage, including coverage waiting periods, health reimbursement arrangements, and coverage after employment ends.

Medicaid/CHIP:

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

Medicare:

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

Handling Unexpected APTC Repayments

You may encounter a taxpayer with an unexpected repayment of APTC on Form 8962, Line 29, that he or she must repay. An unexpected repayment may occur when the taxpayer receives unanticipated income, such as retroactive disability, lump-sum Social Security benefits, a work bonus or gambling winnings. The information on the next page can be helpful in some cases.

Form 8962: Part III

Part III	Repayment of Excess Advance Payment of the Premium Tax Credit		
27	Excess advance payment of PTC. If line 25 is greater than line 24, subtract line 24 from line 25. Enter the difference here	27	
28	Repayment limitation (see instructions)	28	
29	Excess advance premium tax credit repayment. Enter the smaller of line 27 or line 28 here and on Form 1040, line 46; Form 1040A, line 29; or Form 1040NR, line 44	29	

Review the Health Care section in the software:

- Make sure Form 1095-A is correct and complete (see Premium Tax Credit: Form 1095-A Overview, earlier in this tab).



Ask the taxpayer to contact the Marketplace if the form doesn't reflect premiums that were paid or if there are other errors.

  - **Marketplace call center: 1-800-318-2596 (TTY: 1-855-889-4325), or if applicable...**
  - **Look up your state's Marketplaces at healthcare.gov/marketplace-in-your-state/**

- If the taxpayer received Form 1095-A and their income was below 100% of the FPL, make sure the question "Is your household income below 100%..." is answered correctly in the Health Insurance section of the software (see the note at the bottom of page H-15 and Medicaid/CHIP on the prior page).
- Check the Health Insurance section of the software to see if the question "Are you required to repay all of the APTC received?" is answered correctly (see the Premium Tax Credit entry screens, earlier in this tab).
- If the taxpayer or spouse lived in Hawaii or Alaska at any point during the year, ensure that state is selected as the resident state in the Basic Information section.

Consider income adjustments to reduce household income:

- If the taxpayer is eligible to claim an IRA deduction, remember that taxpayers can contribute to an IRA until the tax filing deadline (not including extensions).
- If the taxpayer or spouse has an HSA and has not contributed the maximum for the tax year, he or she may contribute to their HSA until the tax filing deadline (not including extensions).
- If the taxpayer or spouse is self-employed, ensure all business expenses have been claimed. The taxpayer may be able to claim the self-employed health insurance deduction which reduces household income, in which case the return is Out of Scope. Exception: return remains in scope if the allowable SEHI deduction limit is fully met by eligible non-Marketplace insurance, such as LTC insurance, Medicare, etc. See page D-34.
- If the taxpayer or spouse is eligible and wishes to establish a SEP-IRA, which has a higher deduction limit than a traditional IRA, refer him/her to a professional return preparer.

Consider married filing separately:

- The taxpayer may be ineligible for the PTC, but filing separately may cap repayment of APTC at a lower level if one or both spouses' household income is less than 400% of FPL. However, if both spouses are on the same Form 1095-A, filing separately makes this a shared policy and Out of Scope.



Important! If the taxpayer is currently enrolled in Marketplace coverage and has a 2025 repayment of APTC, the taxpayer should contact the Marketplace now to adjust their 2026 APTC to minimize repayments for the 2026 tax year! There are no repayment caps in 2026 unless actual income is below 100% of FPL (138% in Medicaid expansion states).

2025 Repayment Caps for APTC		
Income (as % of federal poverty line)	**Taxpayers Filing as SINGLE**	**Taxpayers Using Other Filing Statuses**
Less than 200%	$375	$750
At least 200% but less than 300%	$975	$1,950
At least 300% but less than 400%	$1,625	$3,250
400% and above	No cap (full repayment)	No cap (full repayment)

How to Use the Healthcare.gov Tax Tool

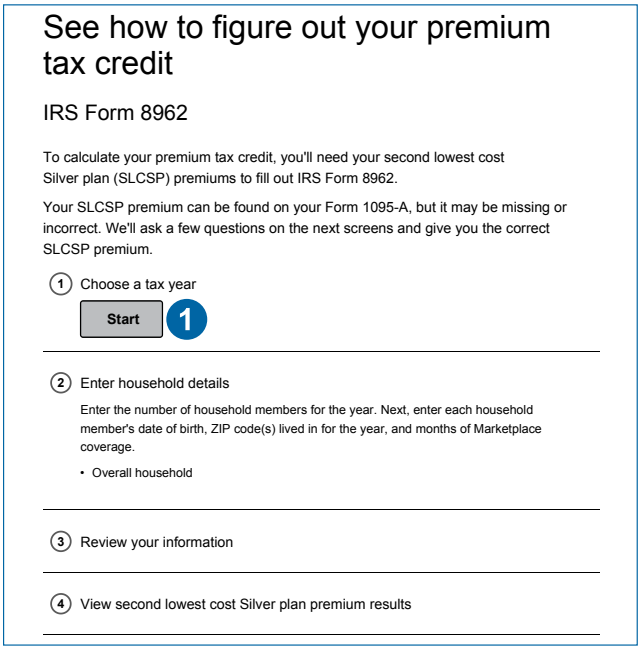
Who should use this tool?

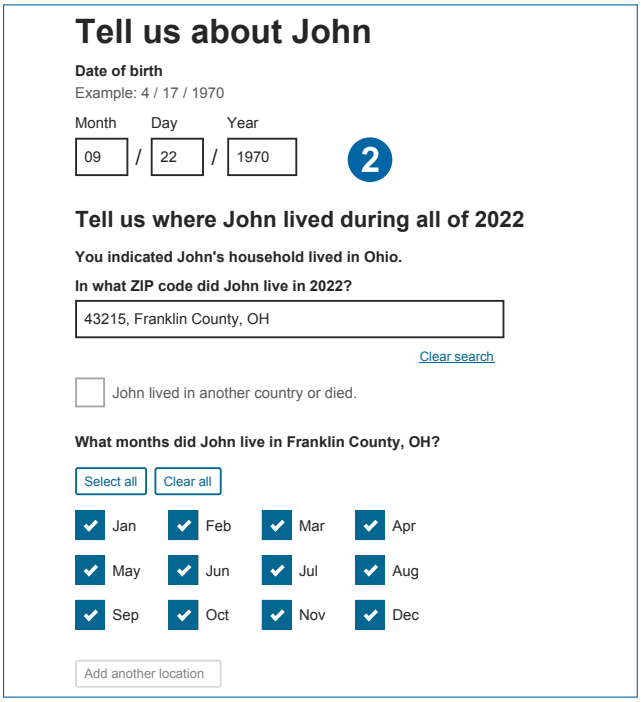
The tool is available for taxpayers who live in federal Marketplace (Healthcare.gov) states, or in a state that uses the Healthcare.gov technology. If you live in a state with a state-based Marketplace, contact the Marketplace by phone or online.

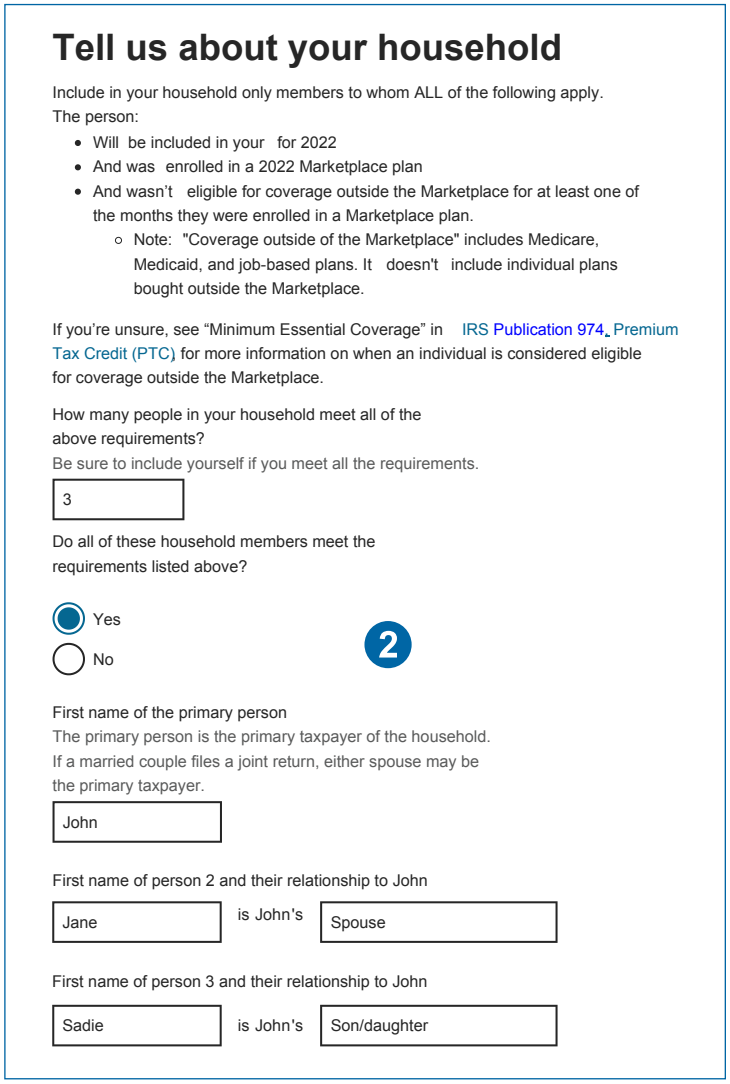
To begin, go to **www.healthcare.gov/tax-tool/**

The tool allows a taxpayer to find their SLCSP Premium to complete or correct Column B of the Form 1095- A. The Tax Tool will ask you to enter all members of the household, even those with other coverage. Several screens will ask for the family's ZIP code and whether they lived in the same place for all months.

Confirm the information for each family member.







Enter information for the following steps:

1. Choose a tax year, then select appropriate state(s).
2. Provide information about the taxpayer's household.

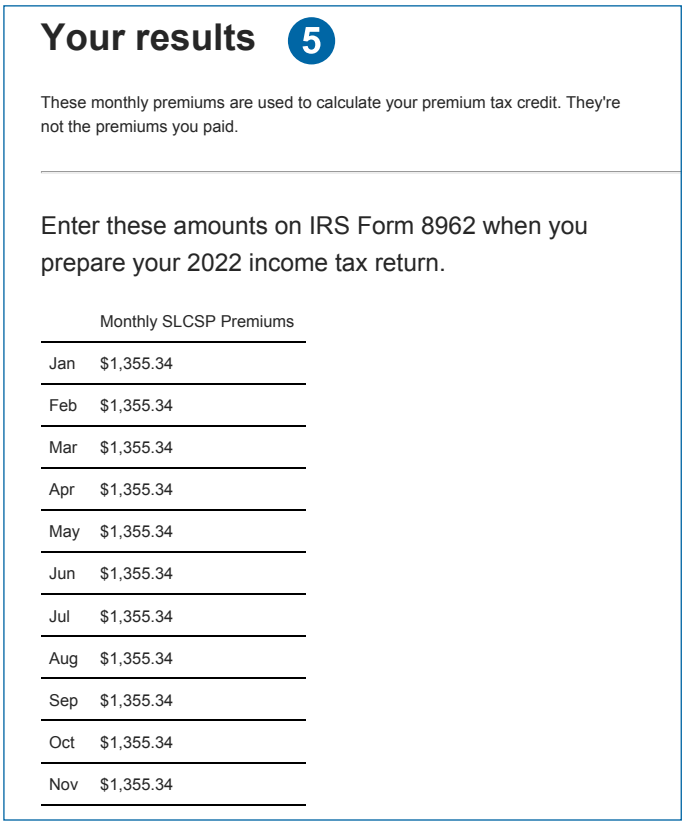
This section determines for each family member whether he or she will be included in determining the SLCSP premium, which you will enter in TaxSlayer.

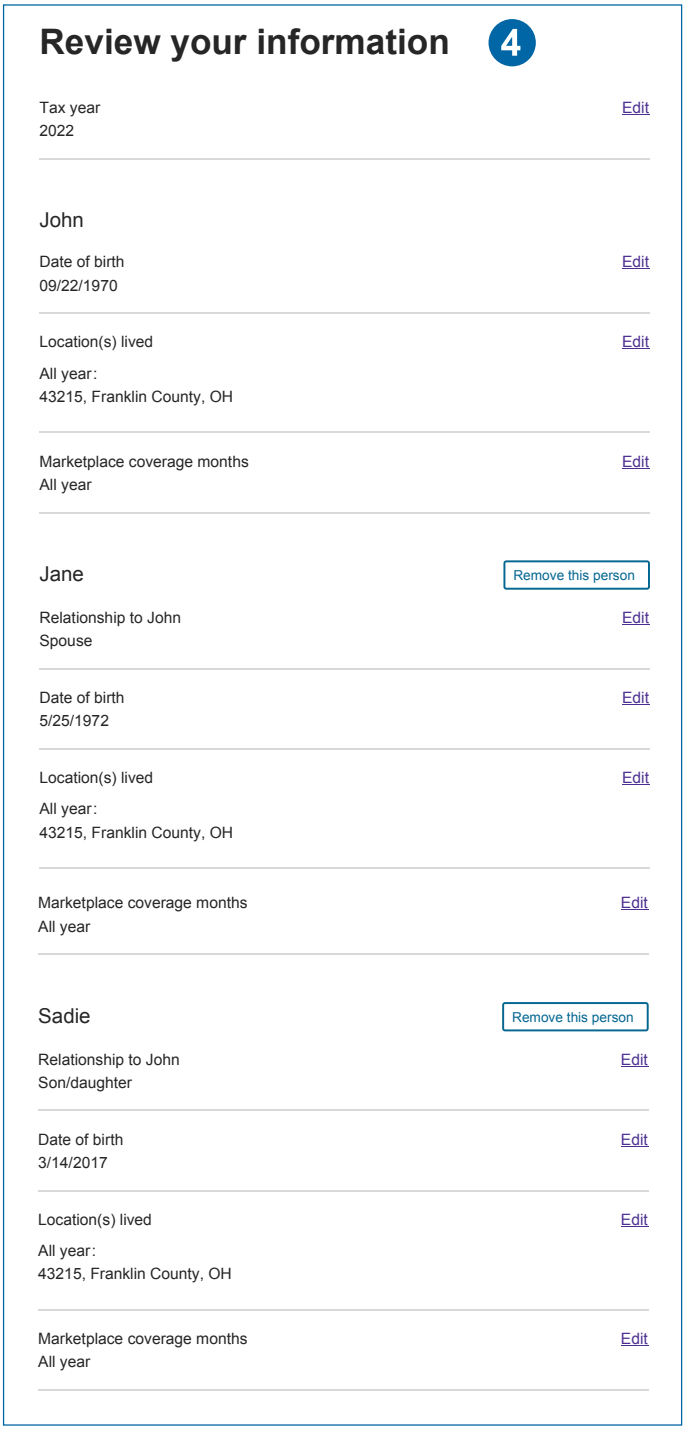
Follow the instructions closely!

3. Leave the boxes unchecked for months John was eligible for other coverage (such as employer or Medicaid) or did not pay the premium for that month and click **Continue**.
4. In the Review screen, confirm the information for each family member.
5. The results page shows the premium for the **SLCSP** for the household. Use these amounts as if they appeared on Form 1095-A, Column B.

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







Federal Poverty Lines

For purposes of the premium tax credit, eligibility for a certain year is based on the most recently published set of poverty lines as of the first day of open enrollment for coverage for that year. As a result, the tax credit for 2025 will be based on the 2024 federal poverty lines.

2024 Poverty Lines for the 48 Contiguous States and the District of Columbia			
For families/households with more than 8 persons, add $5,380 for each additional person (100% Poverty Line)			
Persons in family/household	100% Poverty Line	138% Poverty Line	400% Poverty Line
1	$15,060	$20,783	$60,240
2	$20,440	$28,207	$81,760
3	$25,820	$35,632	$103,280
4	$31,200	$43,056	$124,800
5	$36,580	$50,480	$146,320
6	$41,960	$57,905	$167,840
7	$47,340	$65,329	$189,360
8	$52,720	$72,754	$210,880

2024 Poverty Lines for Alaska			
For families/households with more than 8 persons, add $6,730 for each additional person (100% Poverty Line)			
Persons in family/household	100% Poverty Line	138% Poverty Line	400% Poverty Line
1	$18,810	$25,958	$75,240
2	$25,540	$35,245	$102,160
3	$32,270	$44,533	$129,080
4	$39,000	$53,820	$156,000
5	$45,730	$63,107	$182,920
6	$52,460	$72,395	$209,840
7	$59,190	$81,682	$236,760
8	$65,920	$90,970	$263,680

2024 Poverty Lines for Hawaii			
For families/households with more than 8 persons, add $6,190 for each additional person (100% Poverty Line)			
Persons in family/household	100% Poverty Line	138% Poverty Line	400% Poverty Line
1	$17,310	$23,888	$69,240
2	$23,500	$32,430	$94,000
3	$29,690	$40,972	$118,760
4	$35,880	$49,514	$143,520
5	$42,070	$58,057	$168,280
6	$48,260	$66,599	$193,040
7	$54,450	$75,141	$217,800
8	$60,640	$83,683	$242,560

Tab I: Earned Income Credit

(B) Earned Income Table

Earned Income for EIC[1]

Includes	Doesn't include
• Taxable wages, salaries, tips, and third-party sick pay • Medicaid Waiver Payments[2] • Union strike benefits • Taxable long-term disability benefits received prior to minimum retirement age • Net earnings from self-employment • Gross income of a statutory employee • Household employee income • Nontaxable combat pay election • Nonemployee compensation • The rental value of a home or a housing allowance provided to a minister as part of the minister's pay (Out of Scope) • Election/poll worker compensation[3]	• Interest and dividends • Social Security, including SSI and SSDI, and railroad retirement benefits • Welfare benefits • Workfare payments • Pensions and annuities (except if disability pension and taxpayer is under minimum retirement age) • Veteran's benefits (including VA rehabilitation payments) • Workers' compensation benefits • Alimony • Child support • Nontaxable foster-care payments • Unemployment compensation • Taxable scholarship or fellowship grants that aren't reported on Form W-2 • Earnings for work performed while an inmate at a penal institution or on work release[4] • Salary deferrals (for example, under a 401(k) or 403(b) plan or the Federal Thrift Savings Plan) • The value of meals or lodging provided by an employer for the convenience of the employer • Disability Insurance payments resulting from premiums paid by the taxpayer • Excludable dependent care benefits (line 25 of Form 2441) • Salary reductions such as under a cafeteria plan • Excludable employer-provided educational assistance benefits (may be shown in box 14 of Form W-2)

1. The same definitions can be applied to the Additional Child Tax Credit and the Dependent Care Credit.
2. Only if taxpayer chooses to include Medicaid Waiver Payments (MWP) in earned income. See page D-12.
3. See page D-79 for instructions on entering election/poll worker compensation.
4. This particular income is entered as other income on the return and not counted as earned income. For instructions on entering this income, see pages D-77 and D-82.

Common EIC Filing Errors

- Claiming a child who doesn't meet the residency and relationship requirements
- Married taxpayers incorrectly filing as a single or head of household
- Incorrectly reporting income, particularly income and expenses from self-employment
- Incorrect Social Security numbers
- Not claiming a qualifying child because the child is not a dependent, e.g., a full time student under age 24 who supported themselves, or a disabled family member whose income covers half of their support. Support is not a test for EIC.

(B) Summary of EIC Eligibility Requirements

Part A Rules for Everyone	Part B Rules If You Have a Qualifying Child	Part C Rules If You Don't Have a Qualifying Child	Part D Earned Income and AGI Limitations
Taxpayers & qualifying children must all have SSN that is valid for employment by the due date of the return (including extensions).[1]	Child must meet the relationship, age, residency and joint return tests but not the support test. The child doesn't have to be your dependent.[2]	Must be at least age 25 but under age 65 as of December 31.[3]	You must have earned income to qualify for this credit. Your earned income and AGI must be less than: • $61,555 ($68,675 if Married Filing Jointly) with three or more qualifying children • $57,310 ($64,430 if Married Filing Jointly) with two qualifying children • $50,434 ($57,554 if Married Filing Jointly) with one qualifying child • $19,104 ($26,214 if Married Filing Jointly) with no qualifying child
You must meet certain requirements if you are Married Filing Separately.[4]	Qualifying child can't be used by more than one person to claim the EIC.	Can't be the dependent of another person.	
Must be a U.S. citizen or resident alien all year.	The taxpayer can't be a qualifying child of another person.	Must have lived in the United States more than half the year.	
Can't file Form 2555 (relating to foreign earned income).		Can't be a qualifying child of another person.	
Investment income must be $11,950 or less.			
Can't be a qualifying child of another person.			

1. If the taxpayer's Social Security card says "VALID FOR WORK ONLY WITH INS OR DHS AUTHORIZATION," the taxpayer can use the Social Security number to claim EIC if they otherwise qualify.
   If taxpayer (or spouse, if filing a joint return) or dependent has an individual taxpayer identification number (ITIN), they can't get the EIC. ITINs are issued by the IRS to noncitizens who can't get an SSN. Singles and couples who have Social Security numbers can claim the credit, even if their children don't have SSNs. In this instance, they would get the smaller credit available to childless workers. In the past, these filers didn't qualify for the credit.
   If the taxpayer's Social Security card has a "NOT VALID FOR EMPLOYMENT" imprint, and if the card-holder obtained the SSN to get a federally funded benefit, such as Medicaid, they can't get the EIC.
2. To meet the joint return test, the child cannot file a joint return for the year unless it's only to claim a refund of income tax withheld or estimated tax paid.
3. Taxpayers turning 25 on January 1st are considered to be 25 as of December 31st. Taxpayers reaching the age 65 on January 1st are still considered to be 64 as of December 31st. If filing a joint return, either the taxpayer or their spouse must meet this age requirement.
4. Married Filing Separately taxpayers can claim the EIC only if they had a qualifying child living with them for more than half the year and either of the following apply:
   - They lived apart from their spouse for the last 6 months of the year, or
   - They are legally separated according to state law under a legal separation agreement or a decree of separate maintenance and didn't live in the same household as their spouse at the end of the year.

   If all requirements are met, check the box in Personal Information for "Filing Married Filing Separate and meets the requirements to claim the EIC (see #6 on page B-22). If the MFS taxpayer has a qualifying child, but no qualifying child has a valid SSN, they can still meet this special rule and claim a self-only EIC.

Taxpayers cannot file an amended return to claim the credit for a year they did not originally have a valid Social Security number.

The NTTC **EITC Graph** can be helpful to explain why a taxpayer's EIC has changed since the prior year. To generate a custom chart, including the ability to overlay two tax years, see the **Tax Credit Plotter** in the **Colorado Resource Toolbox**.

(B) EIC General Eligibility Rules

Step	Probe/Ask the taxpayer	Action
1	Calculate the taxpayer's earned income and adjusted gross income (AGI) for the tax year. Are both less than: • $61,555 ($68,675 if Married Filing Jointly) with three or more qualifying children • $57,310 ($64,430 if Married Filing Jointly) with two qualifying children • $50,434 ($57,554 if Married Filing Jointly) with one qualifying child • $19,104 ($26,214 if Married Filing Jointly) with no qualifying children?	If **YES**, go to Step 2. If **NO**, STOP. You can't claim the EIC.
2	Do you (and your spouse, if filing jointly) have a Social Security number (SSN) that allows you to work?[1] Answer "NO" if the taxpayer's Social Security card has a "NOT VALID FOR EMPLOYMENT" imprint, and if the cardholder obtained the SSN to get a federally funded benefit, such as Medicaid.	If **YES**, go to Step 3. If **NO**, STOP. You can't claim the EIC.
3	Do any of the following apply: • you were not married at the end of 2025, or • you are filing a joint return with your spouse, or • the special rule for separated spouses applies (see Footnote 4 on the previous page)?	If **YES**, go to Step 4. If **NO**, STOP. You can't claim the EIC..
4	Are you a nonresident alien? Answer "NO" if the taxpayer is married filing jointly, and one spouse is a citizen or resident alien and the other is a nonresident alien.	If **YES** and you are either unmarried or married but not filing a joint return, STOP. You can't claim the EIC. If **NO**, go to Step 5.
5	Are you (or your spouse, if filing jointly) filing Form 2555 (Foreign Earned Income) to exclude income earned in a foreign country?	If **YES**, STOP. You can't claim the EIC. If **NO**, go to Step 6.
6	Is your investment income (interest, tax exempt interest, dividends, capital gains distributions & capital gains) more than $11,950?	If **YES**, STOP. You can't claim the EIC. If **NO**, go to Step 7.
7	Could you (or your spouse, if filing jointly) be the qualifying child of another taxpayer? Answer "NO" if the other taxpayer isn't required to file, and isn't filing a tax return or is filing a return only to claim a refund of withheld income tax or estimated tax paid.	If **YES**, STOP. You can't claim the EIC. If **NO**, go to the interview tips for EIC—With a Qualifying Child or EIC—Without a Qualifying Child.

1. If the taxpayer's Social Security card says VALID FOR WORK ONLY WITH INS OR DHS AUTHORIZATION, the taxpayer can use the Social Security number to claim EIC if they otherwise qualify.


Separated spouses who are eligible to claim the EIC must check the checkbox on Schedule EIC and list a qualifying child to show they meet the special rule for claiming the credit.


If the taxpayer is filing MFS and meets the requirements to claim EIC, go to Basic Information>Personal Information>Filing Married Filing Separate and meets the requirements to claim the EIC.


The Due Diligence Checklist (Form 8867) is not applicable to volunteer preparers.


The IRS cannot issue refunds before mid-February for returns that claim the EIC.

(B) EIC With a Qualifying Child

Step	Probe/Ask the taxpayer	Action
1	Does your qualifying child have an SSN that allows him or her to work? Answer NO if the child's Social Security card says "NOT VALID FOR EMPLOYMENT" and his or her SSN was only obtained to get a federally funded benefit.	If **YES**, go to Step 2. If **NO**, STOP. You can't claim the EIC on the basis of this qualifying child, however, you may qualify to claim the childless EIC if you meet the requirements.
2	Is the child your son, daughter, stepchild, adopted child, or eligible foster child, brother, sister, half brother, half sister, stepbrother, stepsister, or a descendant of any of them?	If **YES**, go to Step 3. If **NO**, STOP. This child isn't your qualifying child. Go to interview tips for EIC Without a Qualifying Child.
3	Was the child any of the following at the end of the tax year? • Under age 19 and younger than the taxpayer (or spouse, if filing jointly) • Under age 24 and a full-time student and younger than the taxpayer (or spouse, if filing jointly), or • Any age and permanently and totally disabled	If **YES**, go to Step 4. If **NO**, STOP. This child isn't your qualifying child. Go to interview tips for EIC Without a Qualifying Child.
4	Did the child file a joint return for the year?[1] Answer NO if the child and his or her spouse filed a joint return only to claim a refund of income tax withheld or estimated tax paid.	If **NO**, go to Step 5. If **YES**, STOP. This child isn't your qualifying child (failed the joint return test). Go to interview tips for EIC Without a Qualifying Child.
5	Did the child live with you in the United States for more than half (183 days for 2025) of the tax year?[2] Active duty military personnel stationed outside the United States are considered to live in the United States for this purpose.	If **YES**, go to Step 6. If **NO**, STOP. This child isn't your qualifying child. Go to interview tips for EIC Without a Qualifying Child.
6	Is the child a qualifying child of another person? There may be a case when a qualifying child can't be claimed by anyone. Example: The only parent that the child lives with doesn't work or file a tax return and another adult can't meet the general eligibility rules. In this example, no one qualifies to claim this child as a qualifying child for EIC.	If **YES**, explain to the taxpayer what happens when more than one person claims the EIC using the same child (Qualifying Child of More than One Person rule). If the taxpayer chooses to claim the credit with this child, compute the EIC using the appropriate EIC worksheets. If **NO**, compute the EIC using the appropriate EIC worksheet.

1. If your child was married at the end of the year, he or she doesn't meet the joint return test unless you can claim the child as a dependent or you can't claim the child as a dependent because you gave that right to the child's other parent.
2. Temporary absences. Count time that you or your child is away from home on a temporary absence due to a special circumstance as time the child lived with you. Examples of a special circumstance include illness, school attendance, business, vacation, military service, and detention in a juvenile facility.

(B) EIC Without a Qualifying Child

Step	Probe/Ask the taxpayer	Action
1	Can you (or your spouse, if filing jointly) be claimed as a dependent by another person? Answer "NO" if the other person isn't required to file, and isn't filing a tax return or is filing a return only to claim a refund of withheld income tax or estimated tax paid.	If **NO**, go to Step 2. If **YES**, STOP. You can't claim the EIC.
2	Were you (or your spouse, if filing jointly) at least 25 but under age 65 on December 31 of the tax year?[1]	If **NO**, STOP. You can't claim the EIC. If **YES**, go to Step 3.
3	Did you (and your spouse, if filing jointly) live in the United States for more than half (at least 183 days) of the tax year?	If **NO**, STOP. You can't claim the EIC. If **YES**, compute EIC using the appropriate EIC worksheet.

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

Qualifying Child of More than One Person

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

- If only one of the persons is the child's parent, the child is treated as the qualifying child of the parent.
- If the parents don't file a joint return together but both parents claim the child as a qualifying child, the IRS will treat the child as the qualifying child of the parent with whom the child lived for the longer period of time in 2025. If the child lived with each parent for the same amount of time, the IRS will treat the child as the qualifying child of the parent who had the higher adjusted gross income (AGI) for 2025.
- If no parent can claim the child as a qualifying child, the child is treated as the qualifying child of the person who had the highest AGI for 2025.
- If a parent can claim the child as a qualifying child but no parent does so claim the child, the child is treated as the qualifying child of the person who had the highest AGI for 2025, but only if that person's AGI is higher than the highest AGI of any of the child's parents who can claim the child.



If the taxpayers can't claim the EIC because their qualifying child is treated under the tiebreaker rules as the qualifying child of another person for 2025, they may be able to take the EIC using a different qualifying child, or take the EIC if they qualify using the rules for people who don't have a qualifying child.



Subject to these tiebreaker rules, the taxpayer and the other person may be able to choose which of them claims the child as a qualifying child. See **Publication 596**, Earned Income Credit (EIC), for examples. Only parents have the option to choose which parent will claim the child. All other taxpayers wanting to claim the qualifying child must follow the tiebreaker rules. See **Pub 596** for examples. The IRS will apply the tiebreaker rules when the child is claimed by multiple taxpayers. Tiebreaker rules are also shown in the NTTC **Qualifying Child or Relative Resource Tool**.

(B) Disallowance of Certain Credits

Federal section>Deductions>Credit menu>Claiming Refundable Credits After Disallowance

Form 8862, Information to Claim Certain Credits After Disallowance, must be completed for any taxpayer whose EIC, credit for other dependents (ODC), child tax credit (CTC), additional child tax credit (ACTC), or American opportunity tax credit (AOTC), was previously reduced or disallowed and the taxpayer received a letter saying they had to complete and attach Form 8862 to claim the credit(s) the next time.

If the IRS determined a taxpayer claimed the credit(s) due to reckless or intentional disregard of the rules (not due to math or clerical errors) the taxpayer can't claim the credit(s) for 2 tax years. If the error was due to fraud, then the taxpayer can't claim the credit(s) for 10 tax years.

Two situations may require completion of Form 8862

1. The IRS advised the taxpayer that Form 8862 must be completed for a future tax return.
2. A return has been rejected with reject code IND-046-01 – "Incorrect Data: Form 8862 must be present in the return. The e-File database indicates the taxpayer must file Form 8862 to claim Earned Income Credit after disallowance."

Steps for completing Form 8862:

- Enter 8862 in the forms search box
- Select **Information to Claim Certain Refundable Credits After Disallowance**
- Select **BEGIN** for the Credit to be claimed, e.g. Claim EIC After Disallowance

Credits listed will be the ones for which the taxpayer is eligible.

For EIC disallowance

- Do not click the first box "Check here if the only reason your EIC was reduced or disallowed in the earlier year was because you incorrectly reported your earned income or investment income" unless that is the actual reason the EIC was reduced/eliminated.
- Answer remaining questions and click **Continue**. Questions must be answered for all children.

For CTC/ACTC

- Select **Claim Credit** then **Continue**

For AOTC

- Select Form **8863** and confirm entries

Not Eligible for EIC:

If the taxpayer is not eligible for Earned Income Credit for any reason (including a previous year disallowance), click **BEGIN** on the Not Eligible for EIC line. Select both the check boxes after reading them carefully to determine that the taxpayer agrees to not claim earned income credit on this return.

Tab J: Education Benefits

Tax Treatment of Scholarship and Fellowship Payments

A scholarship or fellowship is tax free (excludable from gross income) only if:

- You are a candidate for a degree at an eligible educational institution. You are a candidate for a degree if you attend a primary or secondary school or are pursuing a degree at a college or university, or attend an educational institution that offers a program of training to prepare students for gainful employment in a recognized occupation and is authorized under federal or state law to provide such a program and is accredited by a nationally recognized accreditation agency.

A scholarship or fellowship is tax free only to the extent:

- It doesn't exceed your qualified education expenses;
- It isn't designated or earmarked for other purposes (such as room and board), and doesn't require (by its terms) that it can't be used for qualified education expenses; and
- It doesn't represent payment for teaching, research, or other services required as a condition for receiving the scholarship. (But for exceptions, see Payment for services in **Publication 970**, Tax Benefits for Education.)

Use Worksheet 1-1 on the next page to figure the amount of a scholarship or fellowship you can exclude from gross income.

Education Expenses

The following are qualified education expenses for the purposes of tax-free scholarships and fellowships:

- Tuition and fees required to enroll at or attend an eligible educational institution.
- Course-related expenses, such as fees, books, supplies, and equipment that are required for the courses at the eligible educational institution. These items must be required of all students in your course of instruction.

Qualified education expenses don't include the cost of:

- Room and board
- Research
- Equipment and other expenses not required for enrollment in or attendance at an eligible educational institution
- Travel
- Clerical help



If scholarships and grants exceed the qualified educational costs, some of the grant or scholarship may be taxable to the student (not the taxpayer claiming the student as a dependent). See #1 on page D-82 for information on how to enter taxable scholarships.

Worksheet 1-1. Taxable Scholarship and Fellowship Income	
1. Enter the total amount of any scholarship or fellowship grant for 2025. See Amount of scholarship or fellowship grant in Publication 970. • If you are a degree candidate at an eligible educational institution, go to line 2. • If you aren't a degree candidate at an eligible educational institution, stop here. The entire amount is taxable. For information on how to report this amount on your tax return, see Entering Other Compensation on Page D-82.	1.
2. Enter the amount from line 1 that was for teaching, research, or any other services required as a condition for receiving the scholarship. Don't include amounts received for these items under the National Health Service Corps Scholarship Program, the Armed Forces Health Professions Scholarship and Financial Assistance Program, or a comprehensive student work-learning-service program (as defined in Section 448(e) of the Higher Education Act of 1965) operated by a work college (as defined in that section).	2.
3. Subtract line 2 from line 1	3.
4. Enter the amount from line 3 that your scholarship or fellowship grant required you to use for other than qualified education expenses	4.
5. Subtract line 4 from line 3	5.
6. Enter the amount of your qualified education expenses	6.
7. Enter the smaller of line 5 or line 6. This amount is the most you can exclude from your gross income[1] (the tax-free part of the scholarship or fellowship grant)	7.
8. Subtract line 7 from line 5	8.
9. Taxable part. Add lines 2, 4, and 8. See Entering Other Compensation on page D-82 for how to report this amount on your tax return	9.

[1]However, a scholarship or fellowship grant isn't treated as tax free to the extent the student includes it in gross income (the student may or may not be required to file a tax return) for the year the scholarship or fellowship grant is received and either:

- The scholarship or fellowship grant (or any part of it) must be applied (by its terms) to expenses (such as room and board) other than qualified education expenses.
- The scholarship or fellowship grant (or any part of it) may be applied (by its terms) to expenses (such as room and board) other than qualified education expenses.

You may be able to increase the combined value of an education credit and certain educational assistance if the student includes some or all of the educational assistance in income in the year it is received. See Publication 970 for more information.

Highlights of Education Tax Benefits

This chart highlights some differences among the benefits discussed in **Publication 970**. See the text for definitions and details. Don't rely on this chart alone.


Expenses for professional development of an educator can be claimed as an educator expense adjustment.


You generally can't claim more than one benefit for the same education expense.

What type of benefit?	What is your benefit?	What is the annual limit?
Scholarships, Fellowships, Grants, and Tuition Reductions	Amounts received may not be taxable	None
American Opportunity Credit	Credits can reduce the amount of tax you have to pay. 40% of the credit may be refundable (limited to $1,000 per student).	$2,500 credit per student (100% of the first $2,000 plus 25% of the second $2,000 of qualified expenses per student)
Lifetime Learning Credit	Credits can reduce amount of tax you must pay	$2,000 credit per tax return (20% of up to $10,000 of qualified expenses)
Student Loan Interest Deduction	Can deduct interest paid on qualified loans. See page E-17 for more information.	$2,500 deduction per return
Coverdell ESA* OOS if taxable	Earnings not taxed	$2,000 contribution per beneficiary
Qualified Tuition Program (QTP) (529 Plan)* OOS if taxable	Earnings not taxed	None
Education Exception to Additional Tax on Early IRA Distributions*	No 10% additional tax on early distribution	Amount of qualified education expenses reduced by any tax-free educational assistance
Education Savings Bond Program* OOS	Interest not taxed	Amount of qualified education expenses
Employer - Provided Educational Assistance*	Employer benefits not taxed	$5,250 exclusion
Business Deduction for Work-Related Education	Can deduct expenses	Amount of qualifying work-related education expenses

OOS = Out of Scope

*Any nontaxable distribution is limited to the amount that doesn't exceed qualified education expenses.

Highlights of Education Tax Benefits (cont'd)

What is the type of benefit?	What expenses qualify besides tuition and required enrollment fees?
Scholarships, Fellowships, Grants, and Tuition Reductions	Course-related expenses such as fees, books, supplies, and equipment
American Opportunity Credit	Course-related books, supplies, and equipment. See What are Qualifying Expenses on page J-10 for additional information. **Note:** The maximum amount of qualified education expenses is $4,000.
Lifetime Learning Credit	Student activity fees and expenses for course related books, supplies, and equipment are included in qualified education expenses only if the fees and expenses must be paid to the institution for enrollment or attendance. **Note:** The maximum amount of qualified education expenses is $10,000
Coverdell ESA* OOS if taxable	• Books, Supplies, Equipment • Expenses for special needs services • Payments to QTP • Higher education: Room and Board if at least half-time student** • Elem/sec (K-12) education: Tutoring, Room & board, Uniforms, Transportation, Computer access • Supplementary expenses
Qualified Tuition Program (QTP) (529 Plan)* OOS if taxable	• Higher Education: ◦ Books, Supplies, Equipment ◦ Room & board if at least half-time student** ◦ Expenses for special needs services ◦ Computer Equipment, computer software, or internet access and related services • Elem/sec (K-12) education: tuition only***, see Pub. 970 • Distributions after July 4, 2025: Qualified postsecondary credentialing expenses**** • Principal or interest on beneficiary's or sibling's student loan. The amount of distributions for loan repayments of any individual is limited to $10,000 lifetime.
Education Exception to Additional Tax on Early IRA Distributions*	• Books, Supplies, Equipment including computer or peripheral equipment, computer software and internet access and related services if used primarily by the student enrolled at an eligible education institution • Room & board if at least half-time student** • Expenses for special needs services
Education Savings Bond Program*, OOS	• Payments to Coverdell ESA • Payments to QTP
Employer-Provided Educational Assistance*	• Books, Supplies and Equipment • Principal or interest on any qualified education loan
Business Deduction for Work-Related Education	• Transportation, Travel • Other necessary expenses

OOS = Out of Scope

***Any nontaxable distribution is limited to the amount that doesn't exceed qualified education expenses.

****Room and board expenses qualify only up to the greater of the following two amounts:

- The actual amount charged if the student is residing in housing owned or operated by the educational institution.
- The allowance for food and housing (room and board) specified by the educational institution in their cost of attendance (COA) for federal financial aid purposes for the academic period of attendance and the student's living arrangement (e.g. on-campus housing, commuting, etc.). Taxpayer must obtain the COA from the student's institution (see example from UCLA).

***** For distributions from 529 plans made after July 4, 2025, the following are qualifying expenses for elementary/secondary (K-12) education: tuition, curriculum and curricular materials, books or other instructional materials, online educational materials, tuition for tutoring or educational classes outside of the home (tutor cannot be related to student and must be licensed as a teacher, have taught at an eligible educational institution, or be a subject matter expert in the relevant subject), fees for a qualified test (nationally standardized norm-formed achievement test, an advanced placement examination, or any exam related to college admissions), fees for dual enrollment in an institution of higher education, educational therapies for students with disabilities provided by a licensed or accredited practitioner or provider (including occupational, behavioral, physical and speech-language therapies). See Publication 970 for details.

****** For distributions from 529 plans made after July 4, 2025, the following are qualifying expenses for recognized postsecondary credential programs: tuition, fees, books, supplies, and equipment required for enrollment or attendance. Also, fees for testing or continuing education if required to obtain or maintain the credential. See Publication 970 for details.

Highlights of Education Tax Benefits (cont'd)

What is the type of benefit?	What education qualifies?	What are some of the other conditions that apply?	In what income range do benefits phase out?
Scholarships, Fellowships, Grants, and Tuition Reductions	• Undergraduate & graduate • K-12	• Must be in degree or vocational program • Payment of tuition and required fees must be allowed under the grant	• No phaseout
American Opportunity Credit	• Undergraduate & graduate • A graduate student can claim the American Opportunity Credit if and only if the student hasn't completed the first four years before the beginning of the tax year	• Can be claimed for only 4 tax years (which includes years Hope credit claimed) • Must be enrolled at least half-time in a program leading to a degree, certificate, or other recognized educational credential • No felony drug conviction(s) • Must not have completed first 4 years of post-secondary education before end of preceding tax year	• $80,000 – $90,000 • $160,000 – $180,000 for joint returns
Lifetime Learning Credit	• Undergraduate & graduate • Courses to acquire or improve job skills	• No other conditions	• $80,000 – $90,000 • $160,000 – $180,000 for joint returns
Student Loan Interest Deduction	• Undergraduate & graduate	• Must have been at least half-time student in degree program	• $85,000 – $100,000 • $170,000 – $200,000 for joint returns
Coverdell ESA* OOS if taxable	• Undergraduate & graduate • K-12	• Assets must be distributed at age 30 unless special needs beneficiary	• $95,000 – $110,000 • $190,000 – $220,000 for joint returns
Qualified Tuition Program (QTP) (529 Plan)* OOS if taxable	• Undergraduate & graduate • K-12 for no more than $10,000 of tuition • Apprenticeship program that is registered and certified by the Dept of Labor • Distributions after July 4, 2025: recognized postsecondary credential programs. See Pub 970.	• Distributions for principal or interest paid on the designated beneficiary's or their sibling's qualified student loan have a lifetime limit of $10,000 per individual.	• No phaseout
Education Exception to Additional Tax on Early IRA Distributions*	• Undergraduate & graduate	• No other conditions	• No phaseout
Education Savings Bond Program* OOS	• Undergraduate & graduate	• Applies only to qualified series EE bonds issued after 1989 or series I bonds	• $99,500 – $114,500 • $149,250 – $179,250 for joint or qualifying surviving spouse returns
Employer-Provided Educational Assistance*	• Undergraduate & graduate	• No other conditions	• No phaseout
Business Deduction for Work-Related Education	• Required by law to keep present job, salary, status • Maintain or improve job skills	• Can't be to meet minimum educational requirements of present trade/business • Can't qualify you for a new trade/business	• No phaseout

OOS = Out of Scope

*Any nontaxable distribution is limited to the amount that doesn't exceed qualified education expenses.

⚠ Taxpayers filing MFS cannot claim deductions for the American opportunity credit, lifetime learning credit, or student loan interest deductions.

(B) Education Credits

Deductions>Credits Menu>Education Credits Form 1098-T; or Keyword: 8863

Probe/Action: To determine if a taxpayer qualifies for the education credit.

The NTTC **Education Credits Worksheet** is available for taxpayers to record information and expenses for each student. The **Education Benefits Calculator** in the **Colorado Resource Toolbox** can help maximize tax benefits from educational expenses.

Taxpayers who claim the American opportunity credit even though they are not eligible can be banned from claiming the credit for up to 10 years.

Comparison of Education Credits

Credit Conditions	American Opportunity Credit	Lifetime Learning Credit
Maximum credit	Up to $2,500 credit per eligible student	Up to $2,000 credit per return
Limit on modified adjusted gross income (MAGI)	$180,000 if married filing jointly; $90,000 if single, head of household, or qualifying surviving spouse	$180,000 if married filing jointly; $90,000 if single, head of household, or qualifying surviving spouse
Refundable or nonrefundable	40% of credit may be refundable[1]; the rest is nonrefundable	Nonrefundable—credit limited to the amount of tax you must pay on your taxable income
Number of years of postsecondary education	Available ONLY if the student had not completed the first 4 years of post secondary education before 2025. See Completion of first 4 years in Publication 970.	Available for all years of postsecondary education and for courses to acquire or improve job skills
Number of tax years credit available	Available ONLY for 4 tax years per eligible student (including any year(s) Hope credit was claimed)	Available for an unlimited number of tax years
Type of program required	Student must be pursuing a program leading to a degree or other recognized education credential	Student does not need to be pursuing a program leading to a degree or other recognized education credential
Number of courses	Student must be enrolled at least half-time[2] for at least one academic period beginning during 2025 (or the first 3 months of 2026 if the qualified expenses were paid in 2025)	Available for one or more courses
Felony drug conviction	As of the end of 2025, the student had not been convicted of a felony for possessing or distributing a controlled substance	Felony drug convictions do not make the student ineligible
Qualified expenses	Tuition, required enrollment fees, and course materials that the student needs for a course of study whether or not the materials are bought at the educational institution as a condition of enrollment or attendance	Tuition and required enrollment fees (including amounts required to be paid to the institution for course-related books, supplies, and equipment)
Payments for academic periods	Payments made in 2025 for academic periods beginning in 2025 or beginning in the first 3 months of 2026	Payments made in 2025 for academic periods beginning in 2025 or beginning in the first 3 months of 2026
TIN needed by filing due date	Filers and students must have a TIN by the due date of their 2025 return (including extensions)	
Educational institution's EIN	You must provide the educational institution's employer identification number (EIN) on your Form 8863, Education Credits.	

[1]None of the credit is refundable if (1) the taxpayer claiming the credit is (a) under age 18 or (b) age 18 at the end of the year, and their earned income was less than one-half of their own support or (c) a full time student over 18 and under 24 and their earned income was less than one-half of their own support; and (2) the taxpayer has at least one living parent, and; (3) the taxpayer doesn't file a joint return.

[2]The standard for what is half of the normal full-time workload is determined by each eligible educational institution.

Who Can Claim the Credit?

- Taxpayers who paid qualified educational expenses of higher education for an eligible student unless filing MFS.
- Taxpayers who paid the education expenses for a student enrolled at or attending an eligible educational institution. A searchable database of all accredited schools is available on the U.S. Department of Education website: **www.ed.gov/accreditation**
- The eligible student is either the taxpayer, taxpayer's spouse or their dependent.



Qualified education expenses are considered paid by the taxpayer if paid by their dependent or a third party on behalf of the dependent. If a student isn't claimed as a dependent (even if eligible to be claimed), only the student can claim an education credit no matter who paid the expenses. Anyone paying the expenses (even directly to the institution) is considered to have given a gift to the student who in turn is treated as having paid the expenses.



There are two 4-year tests for the American opportunity credit. First, the credit can be taken for only 4 tax years. Second, the student must not have completed four years of post secondary academic credit before the beginning of this tax year. Follow the examples in the "Who is an Eligible Student for the American Opportunity Credit" section in **Publication 970** for additional information.

Who Can Claim a Dependent's Expenses?

If the taxpayer...	Then only...
Has a dependent who is an eligible student	The taxpayer can claim the credit based on that dependent's expenses. The dependent can't claim the credit.
Doesn't claim the dependent on the tax return	The dependent can claim the credit. The taxpayer can't claim the credit based on the dependent's expenses.

Who Can't Claim the Credit?

- Married filing separately filing status
- Anyone listed as a dependent on another person's tax return
- Taxpayers whose modified AGI is more than the allowable income limits
- Taxpayer (or the spouse) was a nonresident alien for any part of the tax year unless one of the exceptions listed in **Publication 519**, U.S. Tax Guide for Aliens, applies

Education Credits (cont'd)

What Expenses Qualify?

- Expenses paid for an academic period starting in 2025 or the first 3 months of 2026
- Expenses not refunded when the student withdraws from class
- Expenses paid with the proceeds from a loan

What are Qualifying Expenses?

- For the American opportunity credit, course-related materials are books, supplies, and equipment needed for a course of study whether or not the materials are purchased from the educational institution as a condition of enrollment or attendance. The purchase of computer or peripheral equipment, computer software, or internet access and related services qualify for the credit if the student needs the computer for attendance at the educational institution.
- For the lifetime learning credit, student activity fees and expenses for course-related books, supplies, and equipment are included in qualified education expenses only if the fees and expenses are required to be paid to the institution for enrollment or attendance.

What is Tax-Free Educational Assistance?

- Tax-free parts of scholarships and fellowships
- Pell Grants (see **Publication 970**)
- Employer-provided educational assistance (see **Publication 970**)
- Veterans' educational assistance
- Any other nontaxable payment (other than gifts or inheritances) received as educational assistance



Don't reduce the qualified education expenses by any scholarship or fellowship reported as income on the student's tax return if the use of the scholarship isn't restricted and used to pay education expenses that aren't qualified (such as room and board).



Taxpayers must have a Form 1098-T from an eligible educational institution to claim education benefits. Form 1098-T is typically available in the student's online school account. If a student's educational institution isn't required to provide Form 1098-T to the student, they can claim a credit without Form 1098-T if the student otherwise qualifies, can demonstrate that they (or a dependent) were enrolled at an eligible educational institution, and can substantiate the payment of qualified tuition and related expenses. Refer to **Publication 970** for required steps.



If the student includes the tax free educational assistance in income, has a filing requirement, and unearned income (including the taxable scholarship) is over $2,700, the student may need to file Form 8615, Tax for Certain Children Who Have Unearned Income (Kiddie Tax). See page H-5. Form 8615 is in scope for Native Americans receiving per capita payments and Alaska residents receiving permanent fund dividends. For all other purposes, Form 8615 remains Out of Scope.

Recovery of Prior Year's Education Expenses

For education expenses claimed in a prior year and later refunded or reimbursed in the current tax year:

- If it was claimed as a credit, then return is Out of Scope if recapture is necessary. Recapture does not apply if prior year's tax liability would remain unchanged after adjusting qualified education expenses as needed for this refund/reimbursement. For an example see the **Instructions for Form 8863**, "Credit recapture" section (that example results in an OOS return due to change in tax liability).
- If it was claimed as a business expense then enter recovery as income on Schedule C in current year.

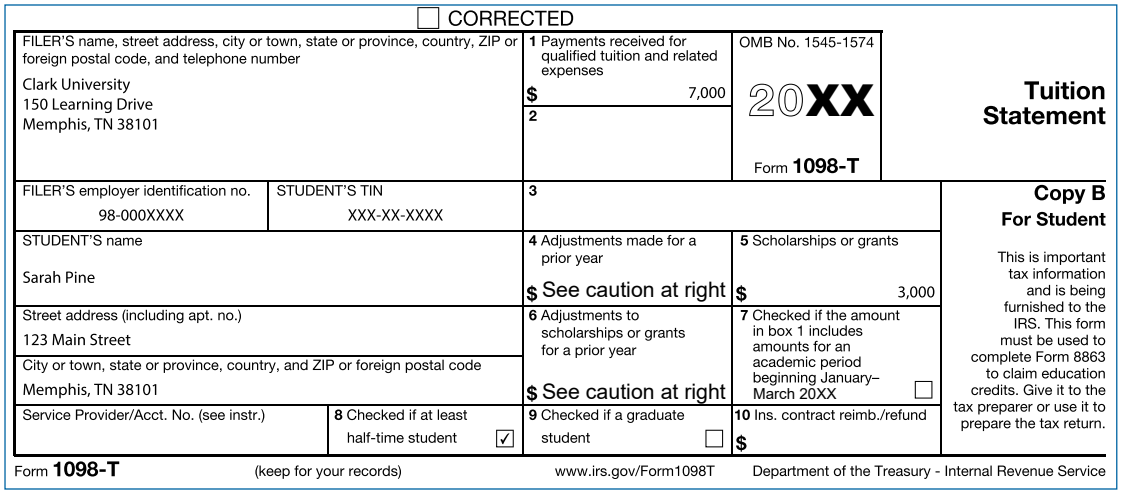
(B) Determining Qualified Education Expenses

Box 1 may include nontaxable scholarship and grant amounts. Some students may choose to pay nonqualifying expenses with scholarship/Pell Grant funds, making the scholarship/Pell Grant taxable. This is true even if the scholarship/grant was paid directly to the school. This may increase the amount of qualifying expenses that can be used in calculating an education credit. Examples can be found in Coordination with Pell grants and other scholarships or fellowship grants in **Publication 970**.

The **Education Benefits Calculator** in the **Colorado Resource Toolbox** can help maximize tax benefits from educational expenses.

Determine the amount paid by verifying the payment received from the student account statement with the amount shown in Box 1 of Form 1098-T. Remember to include books, supplies, course related materials and equipment if claiming the American opportunity credit. Also remember to include out of pocket payments made by the student or on the student's behalf. This includes student loans, payments, credit cards and taxable portions of scholarships/grants.

Example – Bill and Sue are eligible to claim the American opportunity credit for their daughter Sarah, who is in her first year of college. They have a Form 1098-T with $7,000 in box 1 and a $3,000 Pell Grant in box 5. During your interview with Bill and Sue, you determine that $3,000 was paid by Pell Grant and $4,000 was paid by loan proceeds. They paid $500 for books in 2025. To calculate the eligible expenses for their credit, take the $7,000 ($3,000 grant + $4,000 loan) paid in 2025, plus the $500 for books and enter on line 1 of the worksheet below. The $3,000 Pell Grant will be entered on line 2a. The line 3 amount is $3,000. Subtracting line 3 from line 1, you get qualified education expenses of $4,500. If the resulting qualified expenses are less than $4,000, the student may choose to treat some of the grant as income to make more of the expenses eligible for the credits.



☐ CORRECTED

FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number	1 Payments received for qualified tuition and related expenses	OMB No. 1545-1574	
Clark University 150 Learning Drive Memphis, TN 38101	$ 7,000	20XX	**Tuition Statement**
	2	Form **1098-T**	

FILER'S employer identification no.	STUDENT'S TIN	3	**Copy B For Student**
98-000XXXX	XXX-XX-XXXX		

STUDENT'S name	4 Adjustments made for a prior year	5 Scholarships or grants	
Sarah Pine	$ See caution at right	$ 3,000	
Street address (including apt. no.) 123 Main Street	6 Adjustments to scholarships or grants for a prior year	7 Checked if the amount in box 1 includes amounts for an academic period beginning January–March 20XX ☐	
City or town, state or province, country, and ZIP or foreign postal code Memphis, TN 38101	$ See caution at right		
Service Provider/Acct. No. (see instr.)	8 Checked if at least half-time student ☑	9 Checked if a graduate student ☐	10 Ins. contract reimb./refund $

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.

Form **1098-T** (keep for your records) www.irs.gov/Form1098T Department of the Treasury - Internal Revenue Service

Forms 1098-T with amounts listed in boxes 4 or 6 are Out of Scope (OOS) if amendment of prior year's return or recapture of prior year's education credit is needed. See Recovery of Prior Year's Education Expenses on prior page.

Adjusted Qualified Education Expenses Worksheet (Form 8863 instructions)

1. Total qualified education expenses paid for on behalf of the student in 2025 for the academic period		7,500
2. Less adjustments:		
a. Tax-free educational assistance received in 2025 allocable to the academic period	3,000	
b. Tax-free educational assistance received in 2026 (and before you file your 2025 tax return) allocable to the academic period	0	
c. Refunds of qualified education expenses paid in 2025 if the refund is received in 2025 or in 2026 before you file your 2025 tax return	0	
3. Total adjustments (add lines 2a, 2b, and 2c)		3,000
4. Adjusted qualified education expenses. Subtract line 3 from line 1. If zero or less, enter -0-		4,500

If the student doesn't have a copy of their student account statement, ask them to go online through their college or university to get this information.

(B) Entering Education Credits

Deductions>Credits Menu>Education Credits and/or Income>Other Income>Other Compensation>Scholarships and Grants; or Keyword: 1098 or 8863

The NTTC **Education Credits Worksheet** is available for taxpayers to record information and expenses for each student. The **Education Benefits Calculator** in the **Colorado Resource Toolbox** can help maximize tax benefits from educational expenses.

Only the taxpayer is eligible to claim the credit if he or she claims the student as a dependent. Only the student is eligible if he or she isn't claimed as a dependent (even if he or she can be claimed) – no matter who pays.

See page I-8, Disallowance of Certain Credits, if the taxpayer received a letter saying they had to complete Form 8862, Information To Claim Certain Credits After Disallowance.

1. Select the student for whom you'll be entering qualified education expenses, or click the link to return to Basic Information.
2. Indicate if a Form 1098-T was provided for 2025. It is typically available in the student's online school account.
3. Answer as Yes if a Form 1098-T was received for 2024 and Box 7 was checked.
4. If qualified expenses were incurred for more than one institution, then you can add additional institutions later.

EDUCATION GUIDE

Select a Student 1

Please select the student you wish to explore education credits for:

- ◯ CHILD EXAMPLE XXX-XX-XXXX
- ◯ SPOUSE EXAMPLE XXX-XX-XXXX
- ◯ TAXPAYER EXAMPLE XXX-XX-XXXX

⊕ Don't see who you're looking for? Add a dependent or spouse here

Form 1098-T

Do you have a 1098T form?

Did the student receive Form 1098-T from the educational institution for 2025?

◯ Yes ◯ No 2

Did the student receive Form 1098-T from this institution for 2024 with box 7 checked?

◯ Yes ◯ No 3

Add an Institution 4

Employer identification number (EIN) *

Institution Name *

Country *

United States

Address (Number and Street) *

ZIP Code *

City, Town, or Post Office *

State *

5. Enter amount from Form 1098-T, Box 1.

6. TaxSlayer will use the amount of tax-free education assistance entered here to adjust qualified education expenses. Enter the amount from Form 1098-T, Box 5:
   - Reduced by any taxable scholarship/ grant amounts included in Box 5.
   - Increased by any tax-free educational assistance amounts not reflected in Box 5 (see What is Tax-Free Educational Assistance? on page J-10).

7. Enter any additional qualified education expenses not included in (5) Tuition Paid. The definition of qualifying expenses differs for the American Opportunity Credit vs. the Lifetime Learning Credit (see What are qualifying expenses? on page J-10).

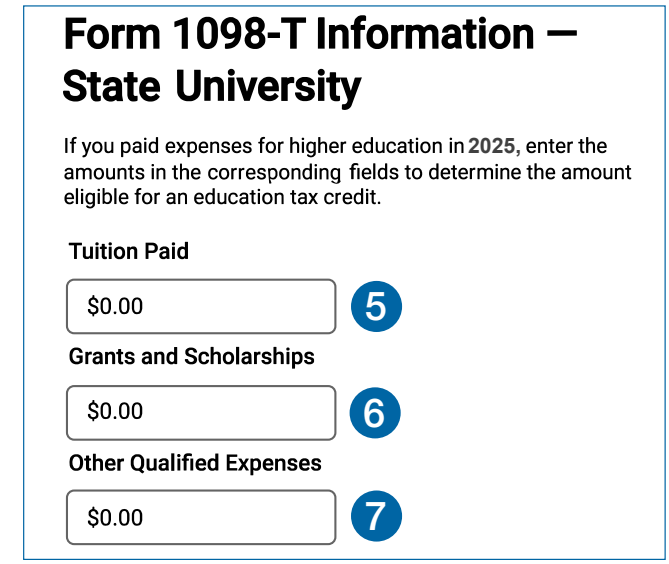
The following aren't qualifying expenses for education credits: room and board, insurance, medical, transportation, or personal expenses, even if the amount must be paid to the institution as a condition of enrollment or attendance. If the educational expenses are associated with sports, games, hobbies, or other noncredit courses, see **Publication 970** for more information.

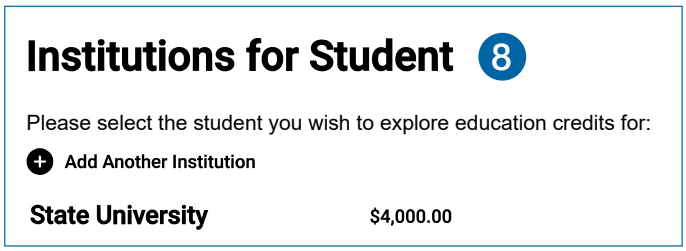
8. Add additional institutions if qualified education expenses were incurred for more than one institution.

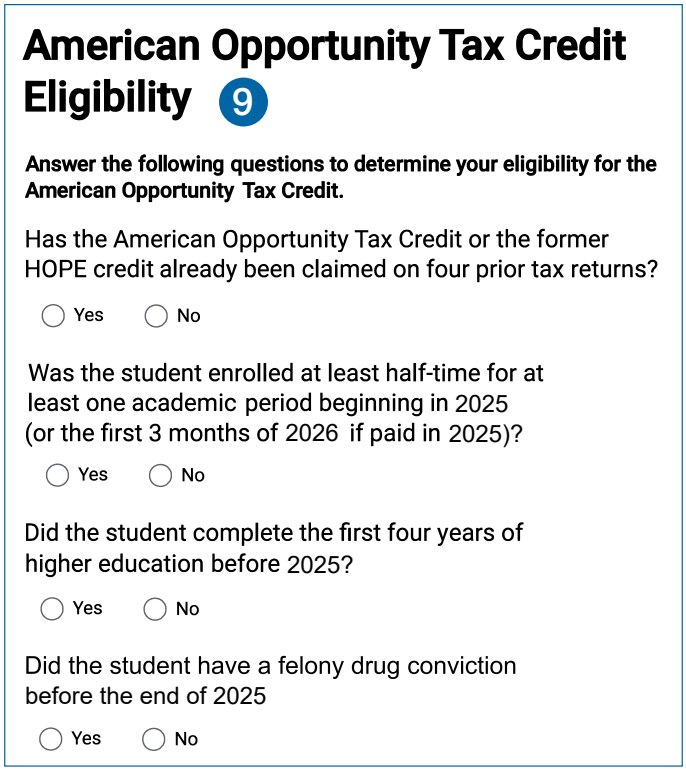
9. The answers to the four questions shown will be used to determine eligibility for the American Opportunity Credit.

If the taxpayer was under age 24 at the end of the year, then TaxSlayer will prompt an additional question asking "Are you eligible for the refundable portion of the American Opportunity Credit?" See next page for a chart to aid in answering this question.

TaxSlayer will recommend which credit is the most beneficial. You can make another selection if you don't want to accept TaxSlayer's recommendation. Click Continue after making your choice.







Ensure the expenses you entered are qualifying educational expenses for the credit that you selected. See #7 above. Click the pencil icon shown on the Education Credit Summary screen if you need to adjust this entry.

After you've selected which credit you'd like to apply, you can edit the education credit data you had entered or enter data for additional students.

Student Under Age 24 Claiming American Opportunity Credit

For a student claiming the credit on their own return

Probe/Action: Ask the taxpayer	Action
1. Were you under 24 at the end of the tax year?	If **NO**, do not use this chart; you **DO** qualify to claim part of the allowable American opportunity credit as a refundable credit if you meet all other qualifications. . If **YES**, go to question 2.
2. Were you over 18 at the end of the tax year?	If **YES**, go to question 3. If **NO**, go to question 4.
3. Were you a full-time student (defined below) for the tax year?	If **NO**, stop here; you **DO** qualify to claim part of your allowable American opportunity credit as a refundable credit. If **YES**, go to question 5.
4. Were you 18 at the end of the tax year?	If **YES**, go to question 5. If **NO**, go to question 6.
5. Was your earned income (defined below) less than one-half of your support for the tax year?	If **NO**, stop here; you **DO** qualify to claim part of your allowable American opportunity credit as a refundable credit. If **YES**, go to question 6.
6. Were either of your parents alive at the end of the tax year?	If **NO**, stop here; you **DO** qualify to claim part of your allowable American opportunity credit as a refundable credit. If **YES**, go to question 7.
7. Are you filing a joint return for the tax year?	If **NO**, you **DO NOT** qualify to claim part of your allowable American opportunity credit as a refundable credit. If **YES**, you **DO** qualify to claim part of your allowable American opportunity credit as a refundable credit.

Earned income. Earned income includes wages, salaries, professional fees, and other payments received for personal services actually performed. Earned income includes the part of any scholarship or fellowship that represents payment for teaching, research, or other services performed by the student that are required as a condition for receiving the scholarship or fellowship (should be reported on a W-2). Earned income does not include that part of the compensation for personal services rendered to a corporation which represents a distribution of earnings or profits rather than a reasonable allowance as compensation for the personal services actually rendered.

Full-time student. Solely for purposes of determining whether a scholarship is considered support, you were a full-time student for 2025 if during any part of any 5 calendar months during the year you were enrolled as a full-time student at an eligible educational institution, or took a full-time, on-farm training course given by such an institution or by a state, county, or local government agency.

Support. Support includes food, shelter, clothing, medical and dental care, education, and the like. However, a scholarship received by a full-time student isn't considered support.

Tab K: Finishing the Return

Completing the E-File Section

Access the E-file section by selecting E-file from the navigation menu on the left side of the screen

E-File Process

When all the data has been entered, complete the e-file section. The return should not be filed (e-filed or as a paper return) until the e-file section has been completed.

Click **E-file** in the left navigation bar.

The software will display any errors and warnings concerning the return.

1. If the software displays an error on the return, read the error carefully and select **FIX THIS** for that error.
2. Make corrections to the return to eliminate the error.
3. Select **E-file** again.
4. Select **FIX THIS** for each e-file error until you correct all errors.

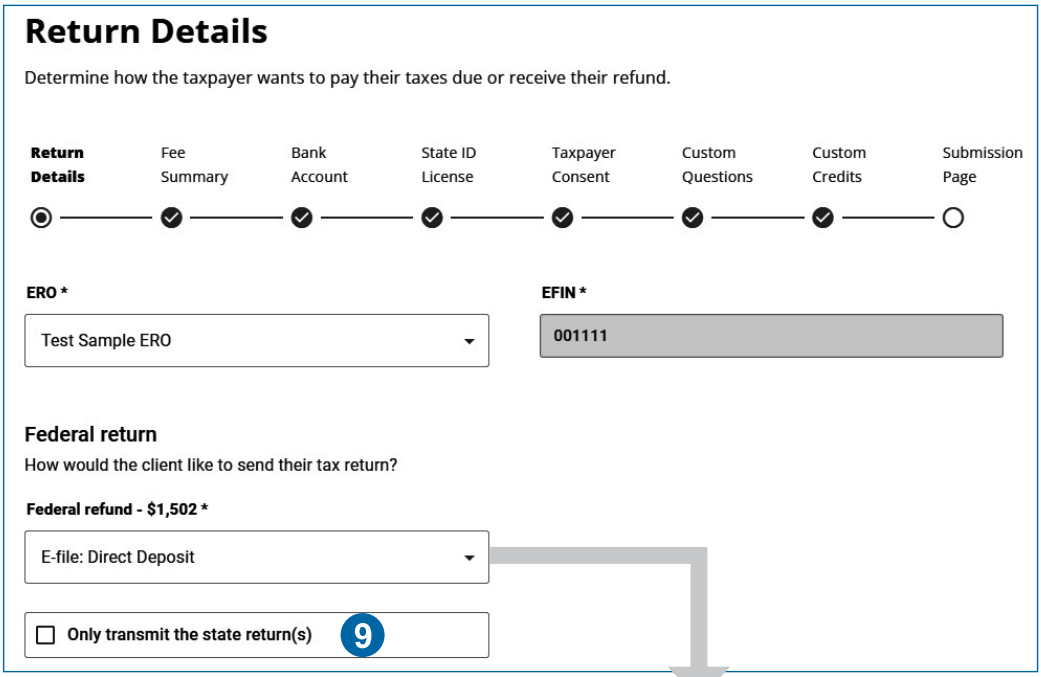
You **cannot** e-file the return until you correct all e-file errors.

5. Next, review any warnings.
6. If you need to change any information to eliminate a warning, select Federal Section in the left navigation bar and make corrections to that section of the return.
7. Review your notes. If you need to change something in the return, select the appropriate section in the left navigation bar and make changes.
8. When you finish reviewing warnings and notes, select Continue.

You can still e-file the return with warnings, but review each warning to ensure that you completed the return accurately.

Return Details

Your site will be the default entry for the ERO and EFIN boxes and no action is necessary in most cases. If you are volunteering in an ad hoc or virtual site, log into the software with the user name assigned to that site. The software will display an ERO drop-down box and defaults to the main location. Select the correct location from the preprogrammed list.



To navigate between e-file sections use either the radio buttons in the top navigation bar or the Continue and Back buttons at the bottom of the screen.

On some laptop displays, the sidebars obscure the Submission Page button. You should close one or the other sidebar to get a complete e-file process display, or reduce the zoom setting for the browser display.

Federal and State Return Types with a Refund		Federal and State Return Types with an Amount Owed	
E-file: Paper Check	E-filed with refund check mailed to taxpayer	E-file: Mail Payment	E-filed with payment mailed by taxpayer
E-file: Direct Deposit	E-filed with direct deposit	E-file: Direct Debit	E-filed with payment by direct debit
Paper Return with Direct Deposit	Paper return with direct deposit	Paper Return	Paper return with payment check included
Paper Return	Paper return with refund check mailed to taxpayer		

9. Select the **Only transmit the state return(s)** box if the state return is to be e-filed, but federal will not be filed. You may need to do this if the taxpayer is not required to file a federal return or has already filed a federal return.

   Select an **E-file** option for the federal return even though you are not electronically filing the federal return. Then complete the remainder of the information on the E-file and Submission pages.

To apply a federal refund towards next year's taxes open Federal>Payments and Estimates>Apply Overpayment to Next Year's Taxes.

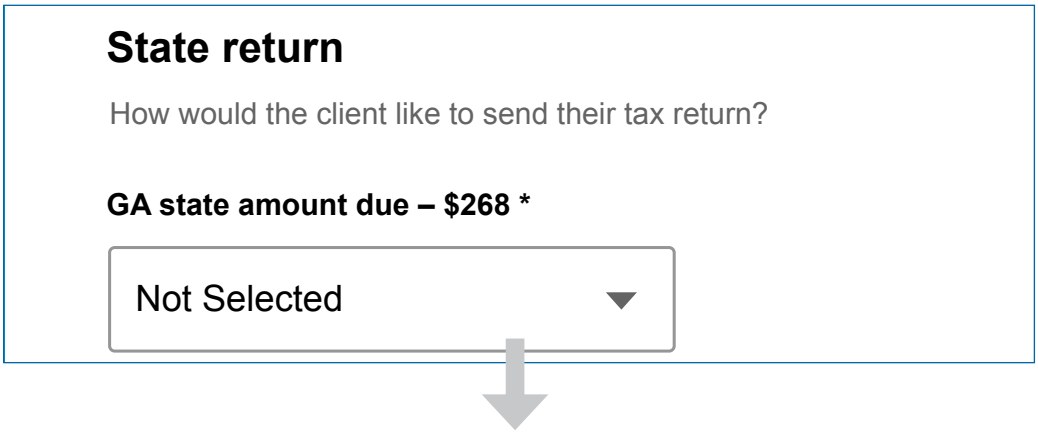
To apply state refund to next year's state taxes, go to State>Payments>Apply your State Refund.

For a no refund/no payment return, select e-file mail payment

State Return(s)

Enter type of state return

If the state return is marked as Paper and the federal return is e-filed, confirm this is the correct choice and not a mistake.

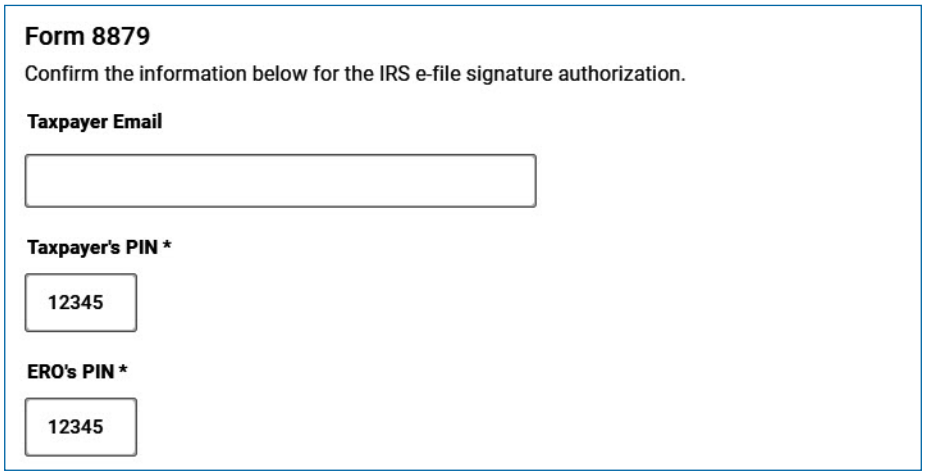


Federal and State Return Types with a Refund		Federal and State Return Types with an Amount Owed	
E-file: Paper Check	E-filed with refund check mailed to taxpayer	E-file: Mail Payment	E-filed with payment mailed by taxpayer
E-file: Direct Deposit	E-filed with direct deposit	E-file: Direct Debit	E-filed with payment by direct debit
Paper Return with Direct Deposit	Paper return with direct deposit	Paper Return	Paper return with payment check included
Paper Return	Paper return with refund check mailed to taxpayer		

For a no refund/no payment return, select e-file mail payment

IRS e-file Signature Authorization

The taxpayers' PINs are defaulted to 1+ the last four digits of the SSN in the electronic return record before the taxpayers sign Form 8879, IRS e-file Signature Authorization. After reviewing the return and being advised that they are ultimately responsible for the information on the return, the taxpayer (and spouse if filing jointly) must sign Form 8879 before their return is electronically filed.



The taxpayer and spouse email addresses will be prefilled on this screen if they were input in the Personal Information section.

Taxpayer PIN Guidelines

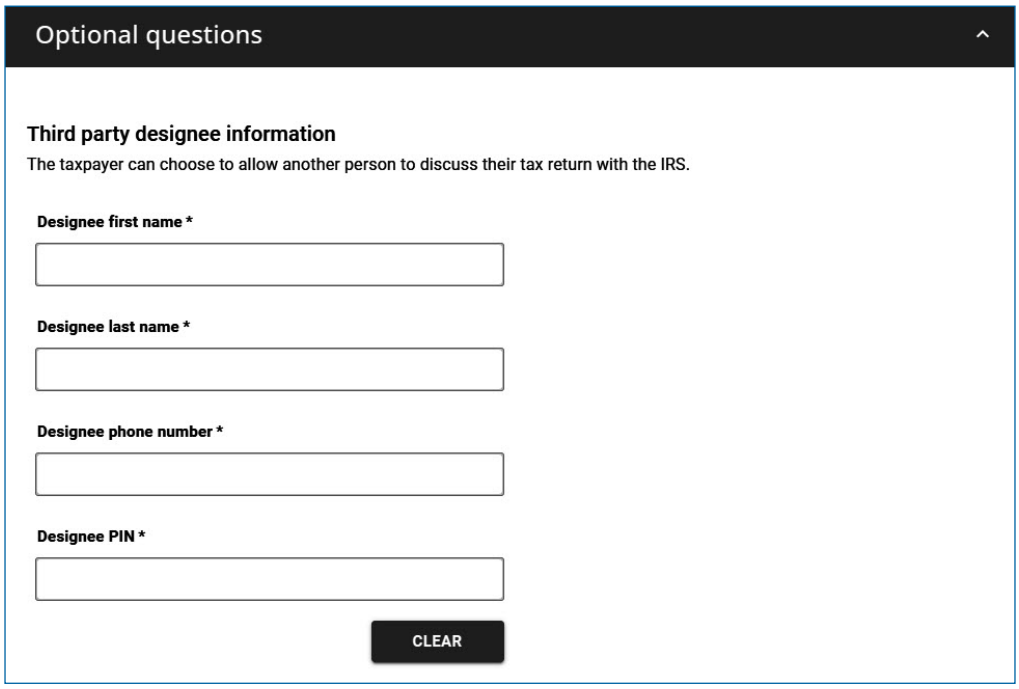
The PIN can be any five numbers except all zeros. If filing a joint return, a PIN is needed for the taxpayer and spouse.

How to use the Practitioner (ERO) PIN in TaxSlayer

98765 is defaulted in Office Setup

The information is pulled from Office Setup to Part III of Form 8879

Third Party Designee Info



Third party designee information can be completed if the taxpayer wants to allow a friend, family member, or another person to discuss this tax return with the IRS. The designee must never be the volunteer preparer. The above screen is accessed by selecting **Optional questions** at the bottom of the Return Details section. This information will be included near the bottom of Form 1040 in the Third Party Designee section, see page B-4.

The Fee Summary screen can be skipped by clicking the adjacent radio button in the top navigation bar from the Return Details screen.

Completing Bank Account Information for Direct Deposit or Direct Debit

If direct deposit or direct debit is selected for either federal or state return, the Taxpayer Bank Account Information screen will appear. The preparer inputs the bank routing and account number here for direct deposit of refund or automatic withdrawal of balance due.

Reloadable Prepaid Bank Cards and Cash App Accounts:

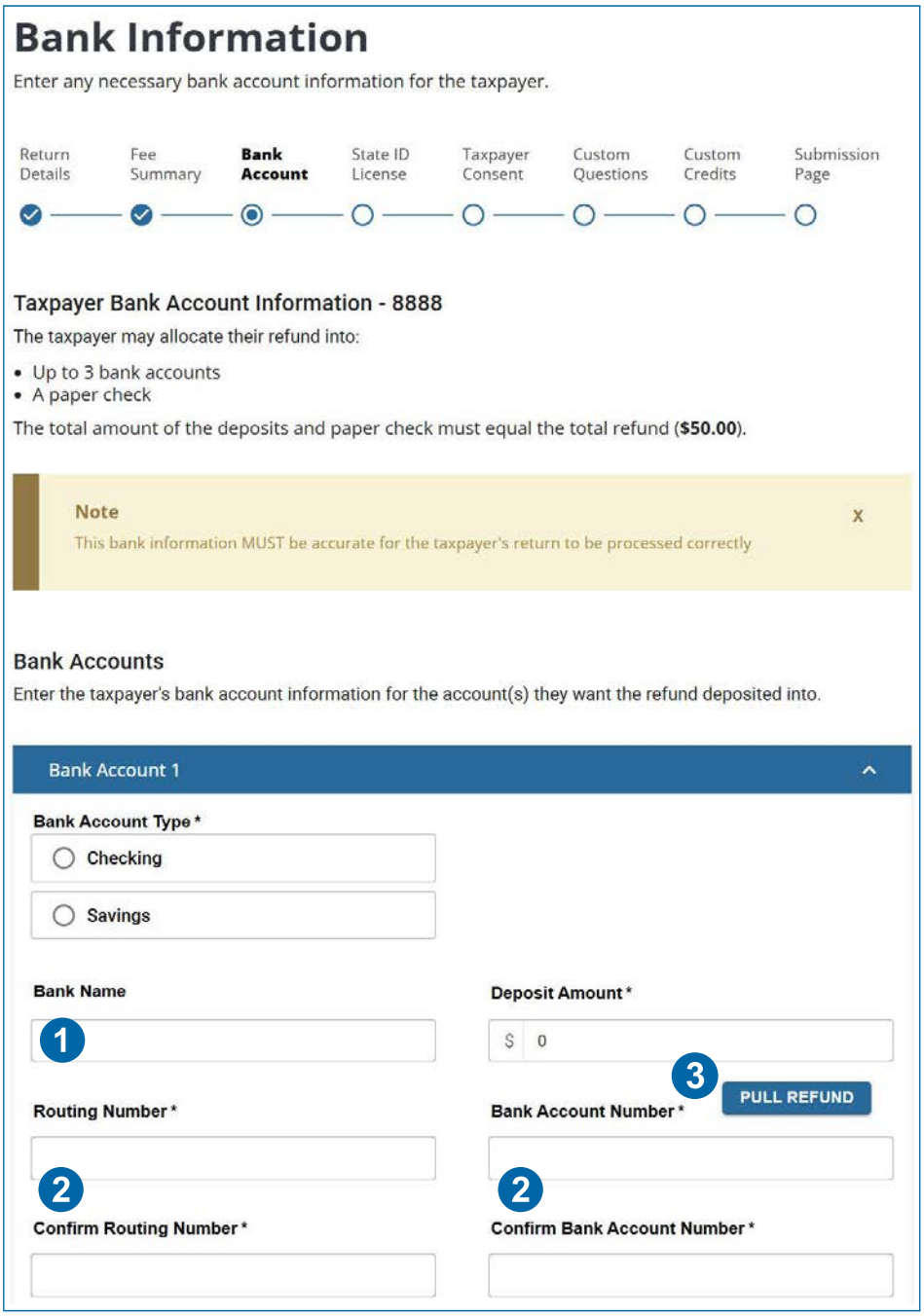
The taxpayer must provide the routing number and account number for the card /cash app account so that it can be entered on the bank information screen.

Entering Direct Deposit Information

See Pointers for Direct Deposit of Refunds on page K-23.

Use a check, or paper or electronic documentation from the financial institution. The taxpayers name is required to be on the account.

1. Input the name of the bank as stated on the check (Optional).
2. Input both the routing and account number twice on this screen (avoid copying and pasting bank account and routing numbers).
3. Click **PULL REFUND** to populate Deposit Amount with the calculated refund. If the return is updated later, then refresh this by clicking **PULL REFUND** again if the refund changed.



(Administrator) Configuration>Office Setup

(B) Split Refund Option

When the taxpayer elects to direct deposit his or her refund into two or three accounts, you will need to answer additional questions in the e-file section.

For this option to be available, someone with Administrator privileges must have updated Configuration>Office Setup and checked the box for Offer 8888. Volunteers will not see this change reflected until the next time they log on. This will allow all preparers at that site to offer Form 8888, Allocation of Refund). Form 8888 also supports double-entry of bank routing and account information.

Form 8888 is incorporated into the e-file section. This form cannot be accessed through the left menu or form finder.

Only one active account is displayed at a time. If the taxpayer wants the refund deposited into multiple accounts, the preparer will expand the 2nd, then the 3rd account.

The account must be in the name of the taxpayer (or spouse if filing jointly).

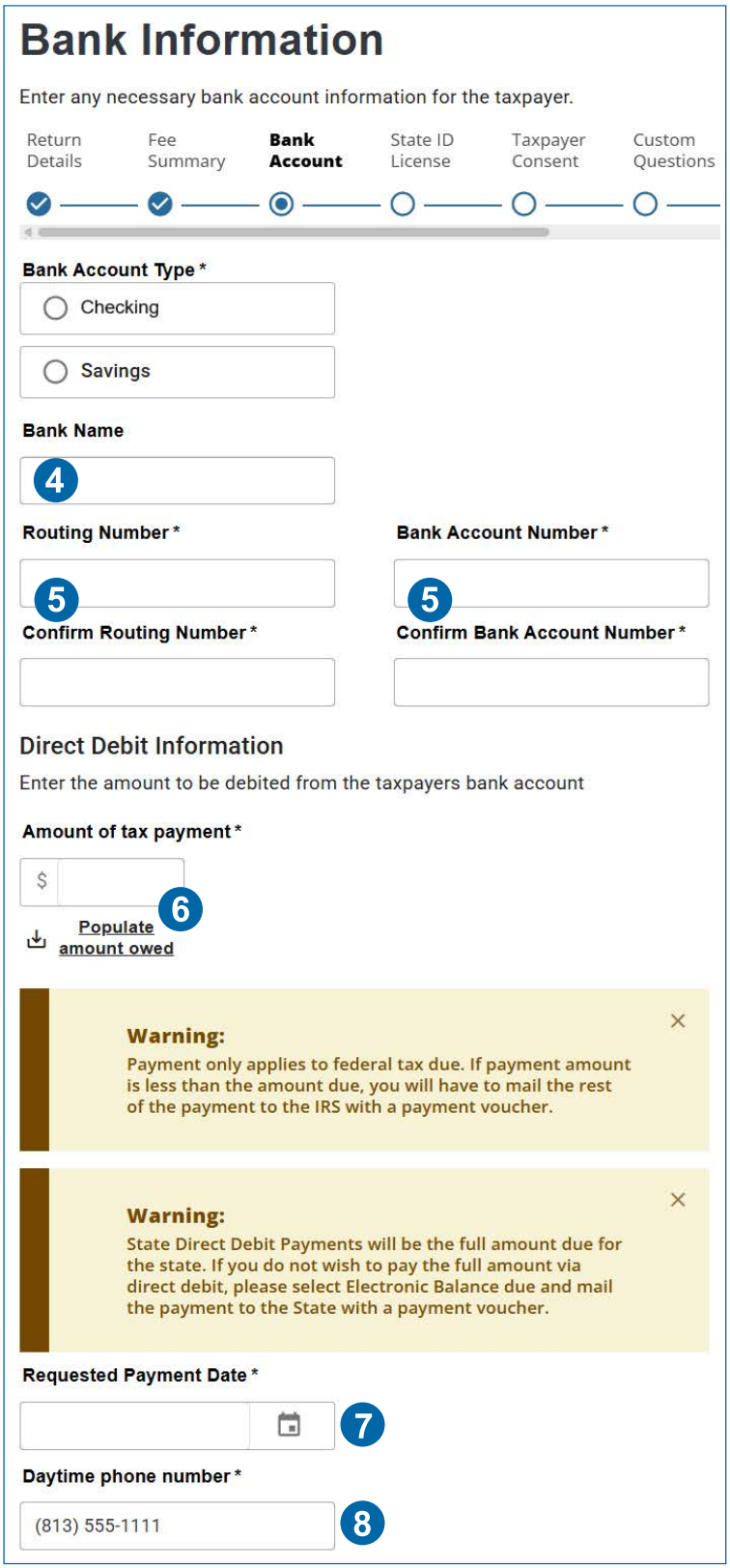
Entering Direct Debit Information

Payment date can be set up for due date of return or prior. If filing return after the due date, direct debit date must be the same date as the date the return is being transmitted or be within the previous five days of that date.

Instructions for canceling a direct debit are shown in **Form 8879**, Part II.

⚠ A scheduled direct debit will not automatically get canceled if an amended return is e-filed or if the taxpayer makes a manual payment at irs.gov/payments.

⚠ Advise taxpayer to confirm their scheduled direct debit(s) actually gets withdrawn. Remind them that they are still responsible for making their payment by the due date if the funds are not withdrawn by the IRS or state agency.



4. Input the name of the bank as stated on the check (Optional).
5. Input both the routing and account number twice on this screen (avoid copying and pasting bank account and routing numbers).
6. Click **Populate amount owed** to fill in Amount of tax payment with the calculated amount due. If the return is updated later and the amount due changed, refresh this by clicking this again.

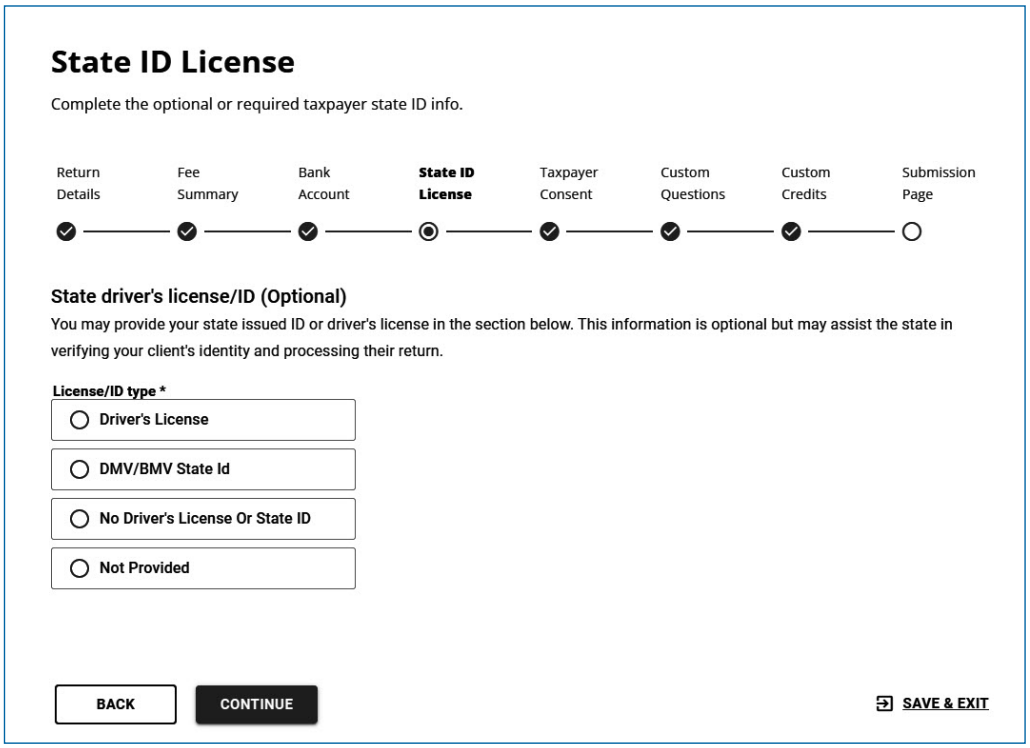
   ⚠ Per the on-screen warning, the amount entered will only be applied to the federal direct debit. Any state direct debit payments will be for the full amount due.

7. Enter the taxpayer's requested payment date, no later than the due date of the return. If filing after the due date, the current date must be entered.
8. TaxSlayer will prefill this with the taxpayer's phone number entered in Personal Information.

State ID

Some states require a driver's license or additional taxpayer identification in order to e-file the return. This screen will appear only if there is a state return. A second section for spouse will appear below on a joint return.

Select driver's license or ID, license number, date issued, date expires and issuing state. Some states will accept an expired license/ID, otherwise for an expired license/ID select **Not Provided**. See state requirement and work around if applicable.



Taxpayer Consents

The Taxpayer Consent section includes all consents assigned to the site. All consents must be accepted (with date entered) or declined (date unnecessary) in TaxSlayer before the return can be marked as ready for review or complete. Consents will be displayed in the order assigned or created (scroll down to get to the next consent).



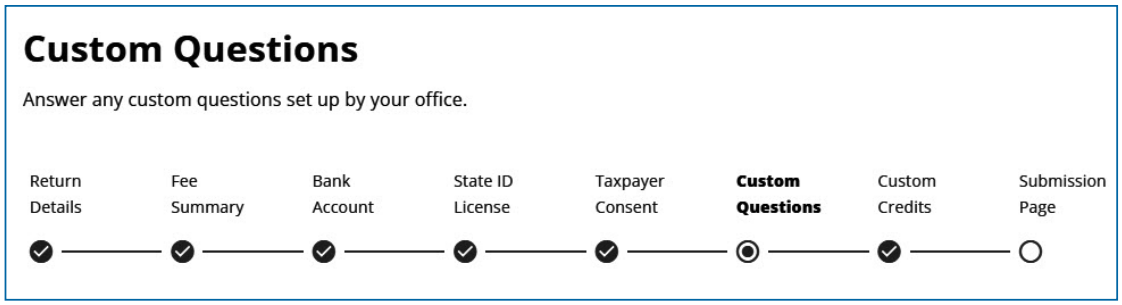
Consent #1: Global Carryforward may be authorized via Form 15080, Consent to Disclose Tax Return Information to VITA/TCE Tax Return Preparation Sites. **If accepted,** TaxSlayer will offer **carryforward of taxpayer data** to any VITA/TCE site. **If declined,** this carryforward will only be available next year to the site that prepared the return. **In either case,** only the site that prepares this year's return will be able to access the actual return next year.

Tax-Aide Consent #2: Consent to Disclose/Use Information to AARP Foundation. This permits the information described to be shared with the AARP Foundation to assist in funding the Tax-Aide program.

Tax-Aide Consent #3: Consent for AARP Foundation to Use Select Tax Return Information. This permits the AARP Foundation to send the taxpayer information about free programs and services. This consent is not effective unless consent #2 was also accepted.

Questions

Use these fields for information that is helpful to your site. For example, these fields could be used to enter the preparer's name and/or new versus returning taxpayers. These fields are used by the military to report rank, grade, enlisted/retired, etc.

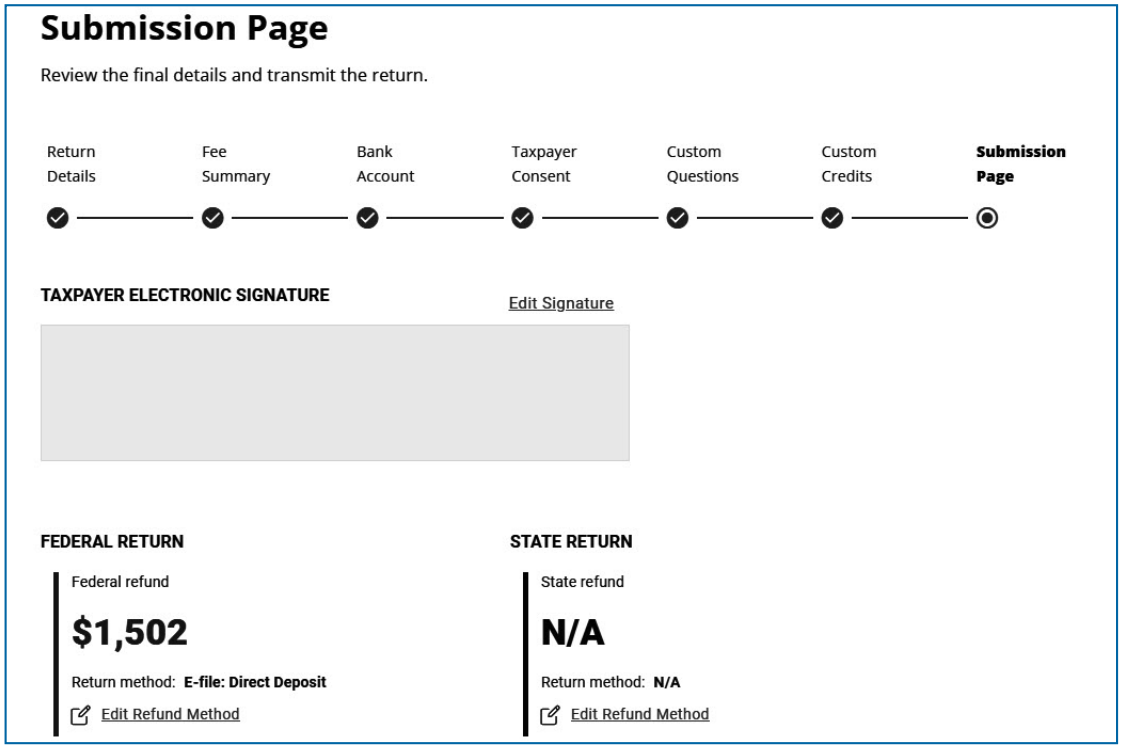


After the end of the tax season a custom report can be created.

If your site or group administrator marked a question as ***Required***, you must answer the question to continue. If you select ***BACK*** before you answer the required questions, TaxSlayer Pro Online does ***NOT*** save any of the data entered on this page.

Completing the Submission Page

The screen below indicates the return submission method (paper or electronic) and the payment/refund method (direct debit/deposit or mail payment) for the federal and state returns. Review the information carefully and make any necessary corrections.

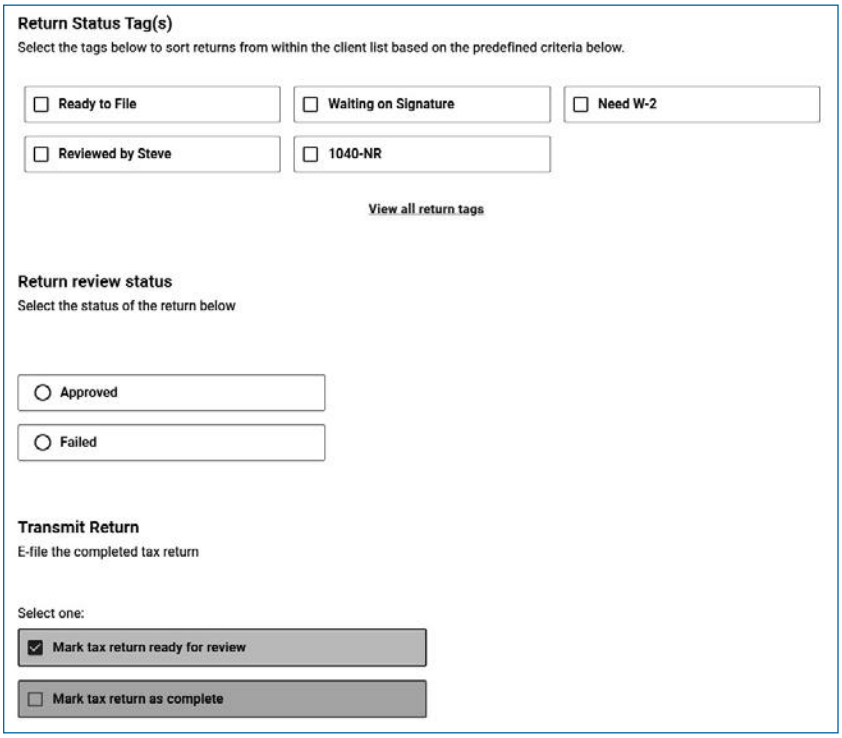


Return Status

Use tags as directed by your site coordinator. After you're finished preparing the return, select **Mark tax return ready for review**. Once the Quality Reviewer confirms the accuracy of the return, mark the return **Approved**. Select **Mark tax return as complete** to enable e-filing only after it is reviewed with the taxpayer (and spouse if filing jointly) and they've signed Form 8879 and any applicable state form.

Extra button appears after ready for review is checked (approve or deny) which has to be checked before the reviewer can mark Complete.

Preparers won't see the transmit button, unless authorized by their site coordinator via Roles & Permissions.



TaxSlayer left menu>VITA/TCE publications and User Guides>Attachments. Download the 20XX Pro Online User Guide for more detailed information about Using the Customer Portal, including supported file types, size limitations, etc.

NTSC **T05 TaxSlayer Customer Portal** has detailed guidance for Counselors and Taxpayers.

Working in the Customer Portal

As the tax preparer, you can send tax documents to the taxpayer, access files when the taxpayer uploads them, and chat with the taxpayer. This provides a full range of communication and document sharing options when working with a taxpayer on a tax return.

Inviting Taxpayers to the Customer Portal – Initial Invitation

You can invite the taxpayer to the Customer Portal at any point while or after you complete the taxpayer's Personal Information screen. Follow these steps to send them an invitation to the Customer Portal:

1. Do any of the following to access the Customer Portal invitation screen/section:
   a. Scroll to the **Invite to Customer Portal** section at the bottom of the Personal Information screen,
   b. Select **Create Customer Portal** from the Taxpayer drop-down menu,
   c. Select **Create Customer Portal** from the left navigation bar, or
   d. Scroll to the **Invite to Customer Portal** section at the bottom of the E-file Submission screen.
2. Select either email or phone, and then enter the Taxpayers email address or phone number that accepts text messages.
3. Verify the taxpayer's email address or phone number is correct and then select **SEND INVITE** or **RESEND**. That button will change to say **SENT** to indicate the invitation link was emailed or texted to the taxpayer. Each link is unique to the taxpayer. It cannot be used to create a Customer Portal account for another taxpayer.

Making Tax Documents Available to the Taxpayer

When you need a taxpayer to review tax documents, whether as a review before filing or after filing, you can make those documents available through Customer Portal. To do so, use the following steps:

1. Navigate through the return to the E-file Submission page.
2. Scroll down to **Send tax return via Customer Portal** (below **Share tax documents**) and then select **SEND DOCUMENT**.

Accessing Documents After Taxpayer Upload

After a taxpayer uploads documents, you can access them from Scanned Documents. To do so, use the following steps:

1. Click **Scanned Documents** from the Taxpayer drop-down menu. TaxSlayer Pro Online displays the Scanned Documents page, which includes any tax return documents you have made available to the taxpayer through Customer Portal and any documents the taxpayer has uploaded.
2. View, download, or delete documents as needed.

(B) Form 8453, U.S. Individual Income Tax Transmittal for an IRS e-file Return

Tax-Aide Best Practice: Do not attach Form 8453 or the related forms/statements described below for inclusion in the electronic return. Inform the taxpayer that the IRS may ask them to provide this additional documentation.

- Tax-Aide states may establish their own policy regarding including attachments in TaxSlayer for state-related e-filing requirements.

Tax-Aide Policy prohibits the exchange of taxpayer data with anyone by email, fax, USPS mail or courier. The only exception is if you are using USPS mail solely to contact a taxpayer at the address provided because phone contact has been unsuccessful. Do not mail any taxpayer documents.

- TaxSlayer's Customer Portal can be used to securely share tax documents with taxpayers as described on the prior page.

Form 8453 will be used to transmit specific supporting documents that can't be e-filed. Those paper forms, schedules and supporting documents include:

- Form 2848, Power of Attorney and Declaration of Representative (or POA that states the agent is granted authority to sign the return)
- Form 8332, Release / Revocation of Release of Claim to Exemption for Child by Custodial Parent (or certain pages from a divorce decree or separation agreement, that went into effect after 1984 and before 2009) (see instructions)
- Form 8949, Sales and Other Dispositions of Capital Assets (or a statement with the same information), if you elect not to report your transactions electronically on Form 8949. Form 8453 is to be mailed to the Austin Submission Processing Center within three business days.

Mail Form 8453 to:

Internal Revenue Service
Attn: Shipping and Receiving, 0254
Receipt and Control Branch
Austin, TX 73344-0254

Alternatively, a PDF of the attachments can be attached to the electronic return. In that case, no Form 8453 is required. To do this, scan the document to create the PDF. However, only select forms can be uploaded into TaxSlayer. Refer to **Form 8453** for a list of acceptable documents.

Due Diligence

By law, tax return preparers must exercise due diligence in preparing or assisting in the preparation of tax returns. IRS-SPEC defines due diligence as the degree of care and caution reasonably expected from, and ordinarily exercised by, a volunteer in the VITA/TCE program. This means, as a volunteer, you must do your part when preparing or quality reviewing a tax return to ensure the information on the return is correct and complete. Doing your part includes confirming a taxpayer's (and/or spouse, if married filing jointly) identity and providing top-quality service by helping them understand and meet their tax responsibilities.

Generally, IRS-certified volunteers may rely in good faith on information from a taxpayer without requiring documentation as verification. However, part of due diligence requires volunteers to ask a taxpayer to clarify information that may appear to be inconsistent or incomplete. When reviewing information for accuracy, volunteers need to ask themselves if the information is unusual or questionable.

If at any time a volunteer becomes uncomfortable with the information provided by the taxpayer, the volunteer should not prepare the tax return. If necessary, ask the coordinator for assistance.

The Due Diligence Checklist (Form 8867) is not applicable to volunteer preparers.

Quality Review Process

 See the NTTC **Gold Standards for Quality Review**.

Quality Site Requirement #2: Intake/Interview and Quality Review Process, requires every site to use a complete quality review process for all returns prepared to ensure accuracy. Every item on the Quality Review Checklist must be addressed while reviewing **Form 13614-C**, Intake/Interview and Quality Review Sheet, all supporting documents, return preparer comments, and the completed tax return. The quality reviewer **must** contact the taxpayer so that they can participate in the quality review process.

There are two acceptable quality review methods:

Designated Review – This preferred quality review method uses a designated quality reviewer. This is a volunteer who is solely dedicated to reviewing returns prepared by the other volunteers at the site.

Peer Review – In this process an IRS-tax law certified volunteer preparer selected by the site may quality review returns of another preparer when the site is not able to use the preferred Designated Review method.

 Self-review is not allowed. All returns must be quality reviewed by another volunteer certified to the level required for the return.

Quality Review Checklist

- During quality review process, taxpayer's (and spouse's, if married filing jointly) photo ID is verified again by quality reviewer.
- Verify volunteer return preparer and quality reviewer are certified to prepare/review this return and return is within scope of the program.
- Verify all applicable questions on Form 13614-C, Pages 1 through 3 were answered. Any errors or incomplete information were:
  - discussed with the taxpayer
  - corrected
  - notated on Form 13614-C
- All applicable information in the "to be completed by certified volunteer" gray-shaded area of Form 13614-C is completed.
- Check Form 13614-C for additional comments left by the return preparer.
- Names, addresses, SSNs, ITINs, and EINs are verified and correct on the return.
- Filing status is correct.
- Dependency determinations are correct. If Taxpayer can be claimed as a dependent on someone else's return, verify that it is properly recorded in the basic information section.
- All Income on Form 13614-C (with or without source documents) indicated on Pages 2 and 3 is verified and correct.
- All applicable adjustments to income are verified and correct.
- Standard or itemized deductions are correct.
- All eligible credits are correct.
- All applicable provisions of Affordable Care Act (ACA) were considered for each person named on the tax return and are correct.
- Federal income tax withholding and estimated tax payments are correct.
- Direct deposit/debit and checking/saving routing and account numbers are correct .

Quality Review Process (cont'd)

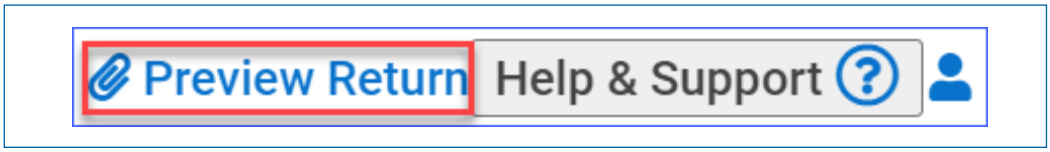
- Confirm federal and state return types are correct (for example, e-file or paper).
- SIDN is included and correct on the return.
- Advise taxpayers before they sign the return of their responsibility for information on their return. This must be done after the quality review process.

Refer to **Publication 5838**, VITA/TCE Intake/Interview and Quality Review Handbook, for additional guidance on how to conduct a quality review.

TaxSlayer Basic Quality Review Print Set

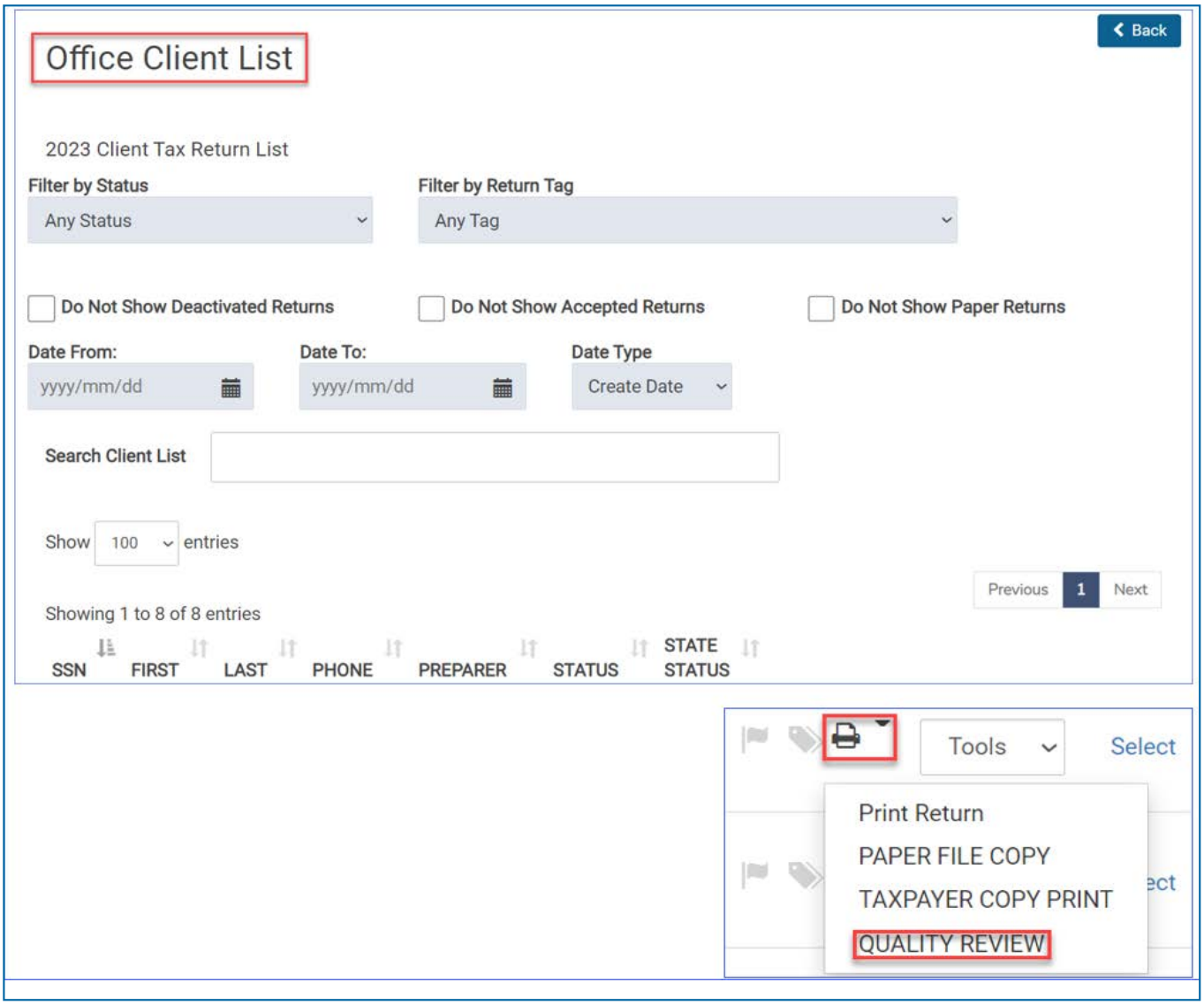
Tax-Aide Best Practice: While it is possible to review each data entry page within the return, the best practice is to use the Quality Review print set. It is more efficient, and reduces the possibility of accidentally introducing errors on input screens. See the NTTC **Gold Standards for Quality Review** for more details.

Return Open: After the return is prepared and still opened by the preparer, the preparer should select **Preview Return** from the top of the page in TaxSlayer. The Quality Reviewer can review the tax return in their browser or Adobe Reader without printing from here.



TaxSlayer Basic Quality Review Print Set (cont'd)

Return Closed: If the preparer closes the return, the Quality Reviewer should select the **printer icon drop down list** from the Office Client List page. This list will include the printer options for the Quality Reviewer.



Selecting the **Quality Review** print set while the return is opened or closed, the Quality Reviewer will be able to review all documents included in the tax return. Compare the IRS Form 13614-C to the Client Form Listing Summary included at the start of the print set to verify all the correct documents are included in the tax return.

Once the basic Intake/Interview documents are reviewed, the Quality Reviewer should review the other pages included in the print set of the tax return. These pages include forms, schedules, and worksheets required to complete the Quality Review of the tax return. Once the Quality Reviewer confirms the accuracy of the return, the return should be marked **Approved**. When the return is shared with and Form 8879 is signed by the taxpayer(s), select the **Mark tax return as complete** button on the submission page in TaxSlayer. By selecting this option, TaxSlayer makes the return available for transmission to the TaxSlayer Processing Center. See page K-12.

Return Signature

A return isn't considered valid unless it is signed. Both spouses must sign if the return is filed jointly. The return should be dated and the occupation lines should be completed. Advise the taxpayer they're responsible for the information on the return.

When Someone Can Sign for You

Child's Return

If a child can't sign his or her name, the parent, guardian, or another legally responsible person must sign the child's name in the space provided followed by the words "By (parent or guardian signature), parent or guardian for minor child."

Incapacitated Spouse

If the spouse can't sign because of injury or disease and tells the taxpayer to sign for him or her, the taxpayer can sign the spouse's name on the return followed by the words "By (your name), Husband (or Wife)." Attach a statement that is signed and dated by the taxpayer to the return. Alternatively, you may scan the statement as a PDF and attach it to the return prior to creating the e-file. See **Publication 501**, Dependents, Standard Deduction, and Filing Information, for requirements to include in the statement. **Tax-Aide Best Practice:** Advise taxpayer to write, sign, and include such a statement if the return is paper filed. For an e-filed return, do not attach for inclusion in the electronic return, but advise taxpayer to retain it in case requested by the IRS.

Military Spouse

If the taxpayer's spouse is unable to sign the return because he or she is serving in a combat zone or is performing qualifying service outside of a combat zone, and the taxpayer doesn't have a power of attorney (POA) or other statement, the taxpayer can sign for their spouse. Attach a signed statement to the return that explains that the spouse is serving in a combat zone. Alternatively, you may scan the statement as a PDF and attach it to the return prior to creating the e-file. See **Publication 3**, Armed Forces' Tax Guide, for other situations. **Tax-Aide Best Practice:** Advise taxpayer to write, sign, and include such a statement if the return is paper filed. For an e-filed return, do not attach for inclusion in the electronic return, but advise taxpayer to retain it in case requested by the IRS.

Court-Appointed Conservator or Other Fiduciary

If you are a court-appointed conservator, guardian, or other fiduciary for a mentally or physically incompetent individual who has to file a tax return, sign your name for the individual and file **Form 56**, Notice Concerning Fiduciary Relationship. Preparation of Form 56 is Out of Scope, but the return itself remains in scope.

Power of Attorney (POA)

A completed and signed **Form 2848**, Power of Attorney and Declaration of Representative, can serve as a POA for tax matters only. Preparation of Form 2848 is Out of Scope, however the return itself remains In Scope. It is up to the taxpayer to complete Form 2848 for their agent to bring to the site for handling with the return. For additional details, see **Publication 947**, Practice Before the IRS and Power of Attorney, and the **Form 2848 Instructions**.

For the IRS to accept a non-IRS Power of Attorney:

- It must contain the information specified in **Publication 947**, *Non-IRS powers of attorney*.
- A completed Form 2848 must be attached in order for the non-IRS POA to be entered on the Centralized Authorization File (CAF) system.
- The agent must attach a signed and dated statement as described in **Publication 947**, which is referred to as the Declaration of Representative, contained in Part II of Form 2848.

Return Signature (cont'd)

Attach a copy of the taxpayer's original paper POA to **Form 8453** for the taxpayer's agent to send to the IRS once the return is accepted (mail the POA with Form 8453 to the address listed on page 2 of the form). Alternatively, you may attach a scan of the POA to the return prior to creating the e-file (see page D-38). See **Publication 17**, Your Federal Income Tax (For Individuals), Chapter 1. Even when the taxpayer's agent is using a power of attorney different than Form 2848, follow the same process.

Tax-Aide Policy: Do not mail any taxpayer documents. **Best Practice:** Do not attach Form 8453 or POA for inclusion in the electronic return. Inform the taxpayer that the IRS may ask them to provide this additional documentation. See page K-14.

Generally, only those eligible to practice before the IRS, e.g., attorney, CPA, or enrolled agent or a member of the taxpayer's immediate family may sign on behalf of the taxpayer – see Part II of **Form 2848** for complete list.

The circumstances under which another person may sign a return under the authority of **Form 2848** or any other POA are limited to:

- Disease or Injury;
- Continuous absence from the United States (including Puerto Rico) for a period of at least 60 days prior to the date required by law for filing the return; or
- Other good cause if specific permission is requested of and granted by the IRS.

If a counselor is not comfortable working with a POA, court appointment papers, or **Form 1310**, check with other volunteers. If no one else is available, refer the taxpayer to a professional preparer.

(B) Deceased Taxpayer

Basic Information>Personal Information>Taxpayer is deceased; or Keyword: PER

A Power of Attorney becomes invalid when the taxpayer dies; therefore **Form 56** or a new **Form 2848** must be completed and signed by the estate executor or representative. Preparation of Form 56 or Form 2848 is Out of Scope, however the return itself remains In Scope. See **Publication 559**, Survivors, Executors, and Administrators, for details.

In Basic Information (see page B-21), check the box to indicate that taxpayer and/or spouse is deceased and enter their date of death. TaxSlayer will automatically note this on the top of Form 1040. Paper file the return if the e-file rejects due to the SSN being locked by the IRS.

If the spouse died during the year and the surviving spouse didn't remarry, a joint return can be filed. A surviving spouse or personal representative must file a return for a decedent with a filing requirement. If a decedent had no filing requirement, but had tax withheld, a return must be filed to claim a refund. A personal representative can be an executor, administrator, or anyone who is in charge of the decedent's property. The signature requirements are as follows:

- If a personal representative has been appointed by a court, that person must sign the return. Attach a copy of the certificate showing their appointment to the return. If it is a joint return, the surviving spouse must also sign it.
- If no personal representative has been appointed:
  - The surviving spouse (on a joint return) signs the return and writes in the signature area "Filing as surviving spouse."
  - If there is no surviving spouse, the person in charge of the decedent's property must file and sign the return as "personal representative."

(B) Claiming a Refund for a Deceased Person

Federal Section>Miscellaneous Forms>Statement of Person Claiming Refund Due a Deceased Taxpayer; or Keyword: 1310

If filing jointly and *both* spouses are deceased, add a separate **Form 1310** for each spouse. However, Form 1310, Statement of Person Claiming Refund Due a Deceased Taxpayer, is not applicable for a surviving spouse filing jointly with their deceased spouse.

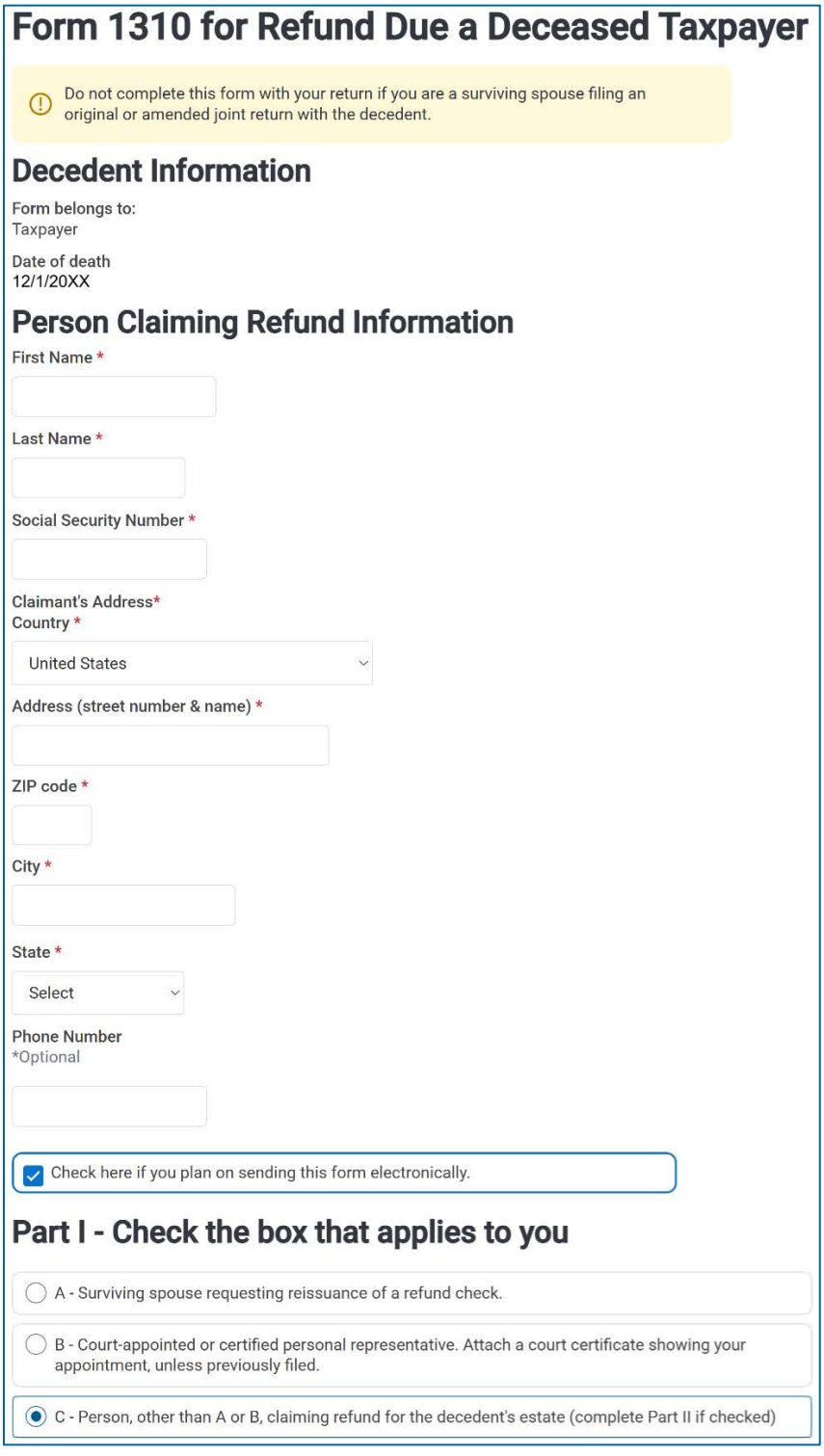
The screenshot shows the three options available in Form 1310, Part I. Only option C is permitted to be filed electronically.

A. Surviving spouse requesting reissuance of a refund check: Must be paper filed.

B. Court-appointed or certified personal representative: Only applicable when a court-appointed or certified personal representative is claiming a refund on Form 1040-X (must be paper filed, attaching a copy of the certificate that shows their appointment).

Form 1310 does not apply to a representative filing the original return. They should instead just attach a copy of the certificate showing their appointment.

C. Person, other than A or B: Not permitted if a personal representative has been or will be appointed or certified by a court. Part II must also be completed. The filer must have proof of death and provide it if requested by IRS. They must also certify they will pay out the refund according to the laws of the state where the decedent was a legal resident.



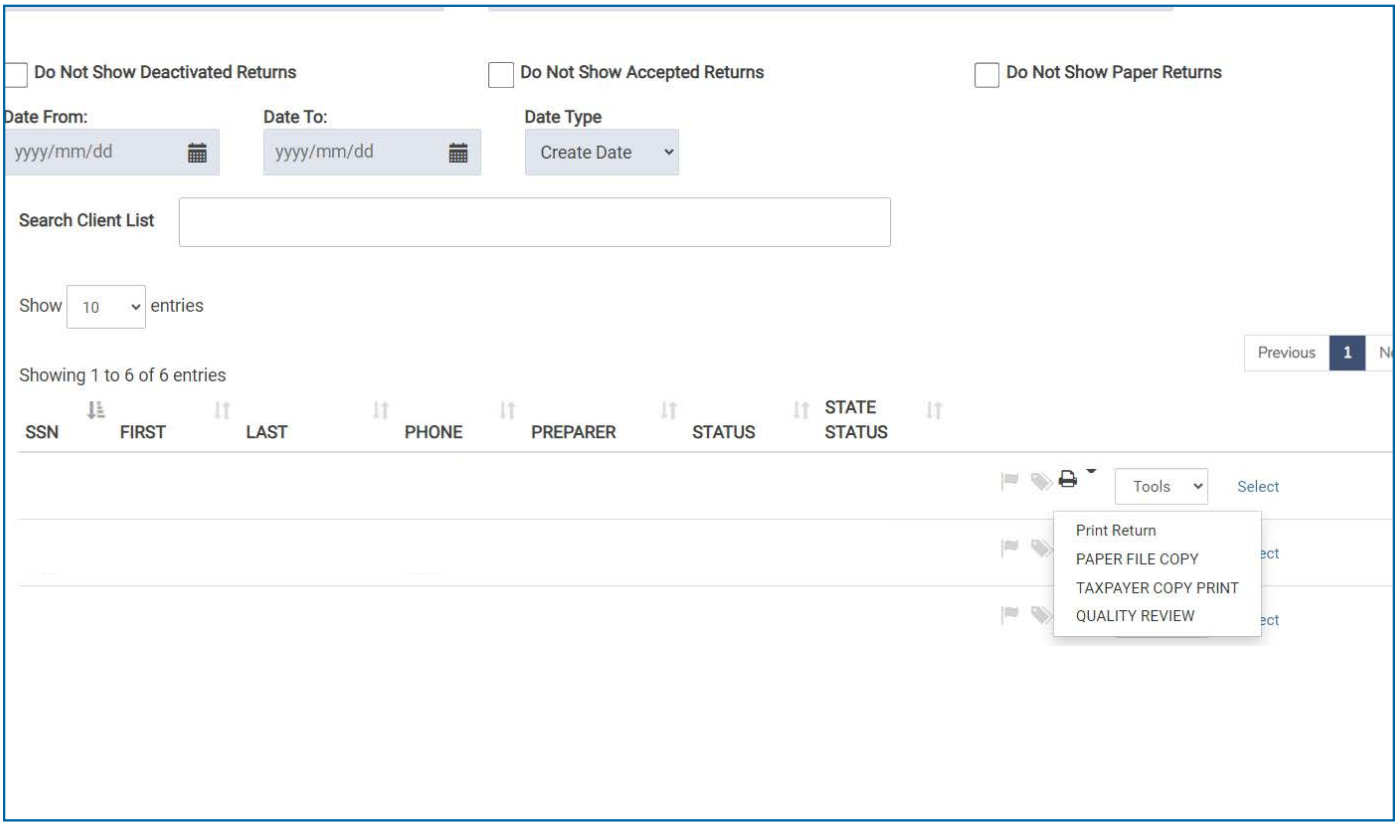
The E-file section can't be accessed if Form 1310 has been added with Part I options A or B selected. A workaround is:

- *Temporarily* select option C
- Complete the E-file section, setting federal return type to Paper Return. Select "Save & Return" at the bottom of the submissions page.
- Change the Form 1310, Part I selection back to the original option.

Printing the Tax Return

Client Search>Office Client List or e-File Section>Last Screen (Submission)>Print Tax Documents

A copy of the return can be printed by selecting the Printer Icon located on the Client Tax Return row from the Office Client List. You can also print a copy of the tax return from the e-File section within a return. On the Submission page, scroll down to **Print Tax Documents**, choose the desired print set in the dropdown box, and click **PRINT**. Sites have the option to create their own print sets as a means of saving paper. Once the PDF is generated, you can choose the pages you wish to print and the number of copies you wish.



Direct debit information does not print automatically with the print set TAXPAYER COPY PRINT. The first page of the QUALITY REVIEW print set includes a return summary with the direct debit account, amount, and date. Print this page for taxpayers with a direct debit, and the taxpayer should review the information to make sure it is correct.

If not already watermarked, clearly mark the taxpayer's file copy so they know not to send it to the IRS

Tax-Aide Policy: Complete these steps for both the federal and state returns to ensure the direct deposit information was entered correctly:

1. Ask the taxpayer to review the bank account and routing numbers on the printed return for direct deposits or on the return summary page for direct debits.
2. Ask the taxpayer to initial next to the banking information on their copy of the return to confirm they have verified the information and that it is correct.

Distributing Copies of Returns

Tax-Aide Policy: Volunteers may not mail any tax documents. See page K-14.

Taxpayer's Copy

- All taxpayer documents, including the Tax-Aide Intake Booklet, Form(s) W-2, Form(s) 1099, etc.
- Form 1040 with all forms/schedules/worksheets including signed Form 8879 and Form 8453, if applicable.
- Organize the taxpayer's copy of the return according to the attachment sequence at the top right corner of each form. Any supplemental schedules are put at the end.
- Form 8332, if applicable.
- Original Power of Attorney, if applicable.
- State forms/schedules, as applicable.
- If direct debit, highlight procedure for canceling the debit in case needed later.

Paper Federal Return

- Signed Form 1040 with all forms/schedules.
- Organize the federal copy of the return according to the attachment sequence at the top right corner of each form. Any supplemental schedules are put at the end.
- Attach federal copies of Form(s) W-2. Also attach and any Form(s) W-2G and 1099 with withholding.

Paper State Return

- Signed state return with all forms and schedules.
- Attach a copy of the federal return if required by state instructions.
- Attach state copies of Form(s) W-2. Also attach any state copies of Form(s) W-2G and 1099 with withholding. Confirm attachment requirements in state instructions.

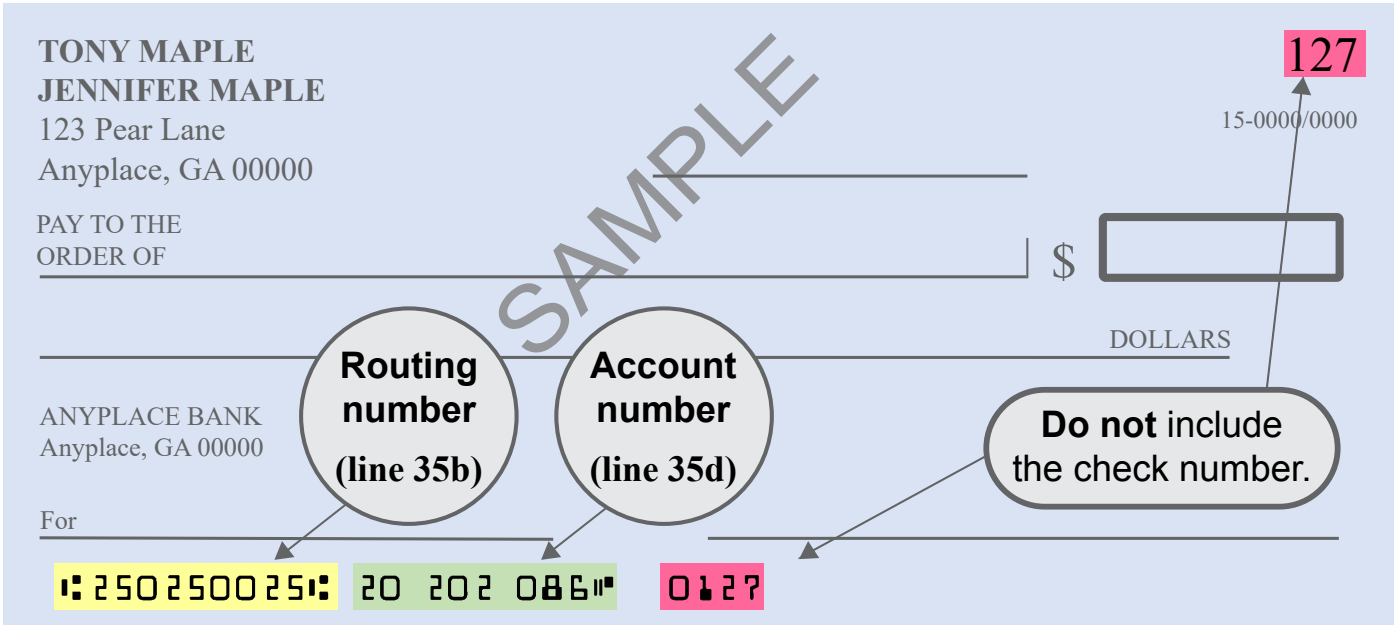
Where to File Paper Returns

When a paper return must be filed, advise the taxpayer to sign and mail the federal return to the applicable IRS address for the state where the taxpayer lives. See page P-11 for a list of addresses.

The taxpayer must be given an exact copy of the paper return to be filed. Additional copies of the schedules and worksheets should also be provided. If applicable, state income tax returns should be signed and mailed to the appropriate address for that state. State mailing address can be found on the state tax form or on the tax department's website.

- Provide IRS address or pre-addressed envelope(s) to the taxpayer
- Remind taxpayer that their return must be postmarked no later than the tax deadline

Pointers for Direct Deposit of Refunds



1. Using a check, paper or electronic documentation from the financial institution as proof of account, verify the account is in the name of the taxpayer (or spouse if filing jointly):
   a. The Routing Transit Number (RTN) must contain 9 digits and begin with 01 through 12 or 21 through 32.
   b. The Depositor Account Number (DAN) can be up to 17 characters. Include hyphens but omit spaces and special symbols. Don't include the check number or the dollar amount on canceled checks. On the sample check above, the account number is 20202086. The 16-digit number on a debit card is not the account number.
2. **Tax-Aide Policy:** Don't use the RTN from a deposit slip as it may not be valid for direct deposit.
   a. For direct deposit into a savings account, the taxpayer should obtain a statement from the financial institution to verify the routing and account number for direct deposit.
   b. For direct deposit into a checking account, if the taxpayer doesn't have a canceled check, the taxpayer should also contact their financial institution.
3. Entering the incorrect RTN and/or DAN will result in a 4-6 week delay of the refund, or it may go into someone else's account. If the direct deposit is voided, a paper check will automatically be mailed to the address on the electronic tax form.
4. Double-check the RTN of the financial institution if:
   a. You are unfamiliar with the financial institution. (Some types of accounts that exist through brokerage firms can't accept direct deposits.)
   b. The RTN is for a credit union, which is payable through another financial institution. The taxpayer should contact his or her credit union for the correct RTN.

⚠ **Tax-Aide Policy:** Complete these steps for both the federal and state returns to ensure the direct deposit information was entered correctly:

   a. Ask the taxpayer to review the bank account and routing numbers on the printed return for direct deposits or on the return summary page for direct debits.
   b. Ask the taxpayer to initial next to the banking information on their copy of the return to confirm they have verified the information and that it is correct.

5. Remember the split refund option: If a taxpayer chooses to direct deposit his or her refund into two or three accounts, you will need to complete Form 8888 within the e-file section.

Pointers for Direct Deposit of Refunds (cont'd)

Financial institutions generally don't allow a joint refund to be deposited into an individual account. The IRS isn't responsible if a financial institution refuses a direct deposit.

If the bank routing number or account number is not obtained from a check, you should consult with the Site Coordinator regarding the procedure for verifying direct deposit information.

Direct deposit of a taxpayer's refund is to be made to an account (or accounts) only in the taxpayer's name. Advise taxpayers their refund may only be deposited directly into his/her own account(s).

The taxpayer's federal and/or state refunds can't be deposited into a personal or business bank/debit card account of a VITA/TCE volunteer or partner.

To combat fraud and identity theft, IRS permits a maximum of three refunds to be electronically deposited into a single financial account. The fourth and subsequent refunds automatically convert to a paper refund check and will be mailed to the taxpayer.

Balance Due Returns

General Information

- Taxpayers don't have to pay if balance due is less than $1.
- Payment in full is due by the April filing due date to avoid interest and penalties.
- Taxpayer should file his or her return by the filing due date, including extensions to avoid a failure-to-file penalty.
- There are separate penalties for filing late and paying late. The late filing penalty is higher.
- Advise taxpayers to file the return on time, even if they can't pay the full amount owed. They should pay as much as they can with the return to reduce penalties and interest. For more information on interest and penalties, see **Tax Topic No. 653** (www.irs.gov/taxtopics/tc653)

Payment Methods

Form 1040-V includes information on electronic payment methods. See **Publication 5034 (en-sp)**, Need to Make a Payment?, for a one-page summary of payment options that you can print for taxpayers with a balance due.

1. Electronic Funds Withdrawal (direct debit)
   a. E-filing allows taxpayers to file their return early and schedule their payment for withdrawal from their checking or savings account on a future date up to the April filing due date. Advise taxpayers that they should check their account to verify that the payment was made. See page K-9.

2. IRS Direct Pay
   a. **IRS Direct Pay** (www.irs.gov/directpay) is a free payment from your checking account to the IRS. Use this secure service to pay your tax bill or make an estimated tax payment directly from your checking or savings account at no cost to you. You'll receive instant confirmation that your payment has been submitted. Just follow the easy steps below. Bank account information isn't retained in IRS systems after payments are made. Check your state department of revenue website for direct pay options for a state amount owed.

It takes just 5 easy steps to make a payment:

Step 1	Step 2	Step 3	Step 4	Step 5
Provide your tax information	Verify your identity	Enter your payment information	Review and electronically sign the transaction	Print or record your online confirmation number

3. Check or money order payments
   a. Don't attach the payment to the return.
   b. Refer to instructions on Form 1040-V, Payment Voucher and/or State Voucher.
   c. Submit the payment with a properly completed Form 1040-V and/or State Voucher. Don't staple or attach the payment to the 1040-V.
   d. Don't mail cash.

4. Debit/Credit Card and Digital Wallet Payments
   a. A convenience fee will be charged by the service providers.
   b. For details, go to **Pay Your Taxes by Debit or Credit Card or Digital Wallet** (www.irs.gov/paybycard).


See **Form 1040 Instructions** for additional information.

Taxpayers can check the balance owed on their account by creating an account on IRS.gov or by requesting an account transcript. **www.irs.gov/account**

5. Electronic Federal Tax Payment System (EFTPS)
   a. Taxpayers can use EFTPS to pay their federal taxes, but they must enroll first. EFTPS is a fast, easy, convenient and secure service provided free by the Department of Treasury. For more information or to enroll, go to **EFTPS: The Electronic Federal Tax Payment System** (www.irs.gov/eftps) or call EFTPS Customer Service at 1-800-555-4477 (for individual payments). TTY/TDD help is available by calling 1-800-733-4829. Assistance is available in Spanish at 1-800-244-4829.

You must have a valid Social Security Number (SSN) to use this application. This application cannot accommodate Individual Taxpayer Identification Numbers (ITINs)

5. Cash (at a retail partner)
   a. Taxpayers can make a cash payment without the need of a bank account or credit card at more than 27,000 retail locations nationwide. To find a location near you, go to **IRS site Pay With Cash at a Retail Partner** (www.irs.gov/paywithcash).

6. Pay by Mobile Device
   a. To pay through a mobile device, taxpayers may download the IRS2Go app.

What if the taxpayer can't pay?

Publication 594, The IRS Collection Process, explains taxpayers' rights and responsibilities regarding payment of federal taxes.

Online Payment Agreement (OPA):

If the taxpayer's balance is $50,000 or less, the taxpayer can make a payment arrangement at **Apply Online for a Payment Plan** (www.irs.gov/paymentplans). If the taxpayer can pay within 180 days, there is no user fee for an Online Payment Agreement (OPA). Taxpayers may also call the IRS to set up a short-term payment plan.

If the taxpayer requires more than 180 days to pay, there is an installment agreement user fee. The amount of the fee is less if the payments are set up using direct debit or applying online compared to applying by phone, mail, or in person. If the taxpayers' income is below certain limits, they may qualify for a reduced fee, which may be identified when going through the OPA process. See **Form 9465**, Installment Agreement Request, instructions for fee information and Form 13844, Application for Reduced Use Fee for Installment Agreement.

Taxpayers can revise their agreement via OPA.

OPA can be used even before the taxpayer receives a bill for the balance due.

Taxpayers who don't use OPA:

If the taxpayer can pay within 180 days, the taxpayer must call IRS at 1-800-829-1040.

If the taxpayer needs longer than 180 days, the application for an installment agreement can be made by using Form 9465. If the return is being filed electronically, Form 9465 can be included with the e-filed return.

Miscellaneous Forms>Installment Agreement Request; or Keyword: 9465

OPA payment plans are processed quicker than requests made with electronically filed returns.

If the taxpayer requires more than 180 days to pay, there is an installment agreement user fee. The user fee is more using this method than using OPA. Low income taxpayers may qualify for a reduced user fee by using Form 13844.

Taxpayer who need to revise their agreement must call IRS at 1-800-829-1040 or file a new Form 9465. This may also be done in TaxSlayer.



Ensure the taxpayer understands that interest and penalties will be included and some payment plans have setup costs (see below for reduced fees for low-income taxpayers).

Requesting additional time to pay due to undue hardship

The taxpayer can request an extension of time to pay if paying the tax by the due date will be an undue hardship. For details see **Form 1127**, Application for Extension of Time for Payment of Tax Due to Undue Hardship. This form is Out of Scope.

Offer in Compromise

If the taxpayer can't pay through an installment agreement and/or by liquidating assets, they may be eligible for an Offer in Compromise (offer). An offer is an agreement between the taxpayer and the IRS that settles a tax debt for less than the full amount owed. The IRS may accept an offer if:

- The IRS agrees that the tax debt may not be accurate,
- The taxpayer has insufficient assets and income to pay the amount due in full, or
- The taxpayer has exceptional circumstances and paying the amount due would cause an economic hardship or would be unjust.

Offer in Compromise is Out of Scope, but volunteers can make taxpayers aware of the option. The taxpayer can use the **Offer in Compromise Pre-Qualifier tool** (www.irs.gov/offers) to determine if an offer is a realistic option to resolve their balance due. The questionnaire format assists in gathering the information needed and provides instant feedback as to eligibility. To apply for an offer, the taxpayer must read and complete the forms located in Form 656-B, Offer in Compromise. An offer is subject to a user fee. If the taxpayers' income is below certain limits, they may qualify for a waiver of the user fee. The application for this is part of Form 656-B.

How Can a Taxpayer Avoid a Balance Due in the Future?

Taxes withheld are based on filing status, dependents, and other adjustments on the return.

- If the taxpayer didn't have enough withheld from his/her paycheck, pension income or taxable Social Security benefits and there is an amount owed on the current return:
  - Advise the taxpayer to access the **Tax Withholding Estimator (www.irs.gov/withholding)**.
  - Advise the taxpayer to submit a revised **Form W-4**, Employee's Withholding Certificate, to the employer. For pension income, taxpayers should submit a revised **Form W-4P**, Withholding Certificate for Pension or Annuity Payments, to the pension payer or contact the pension administrator to increase withholding.
  - Advise taxpayers who receive retirement payments other than pensions or annuities to submit **Form W-4R**, Withholding Certificate for Nonperiodic Payments and Eligible Rollover Distributions, to the payer of their retirement payments to increase withholding.
  - Advise taxpayers who received taxable Social Security benefits or unemployment to submit **Form W-4V**, Voluntary Withholding Request, to request withholding from Social Security of certain other federal government payments.
- If the taxpayer had income that wasn't subject to withholding (such as self-employment, interest income, dividend income, or capital gain income):
  - Explain estimated taxes to the taxpayer. In TaxSlayer, add Form 1040-ES, Estimated Tax for Individuals, and complete it. Discuss with taxpayer(s) whether to use the minimum required amount or the total amount expected to be due.
- Advise the taxpayer to review **Publication 505**, Tax Withholding and Estimated Tax.
- **Forms or Publications** can be obtained from IRS.gov.
- If the taxpayer is receiving the advanced premium tax credit (APTC), they should notify the Marketplace when they have any significant change to geographic location, income, family size or a life event.

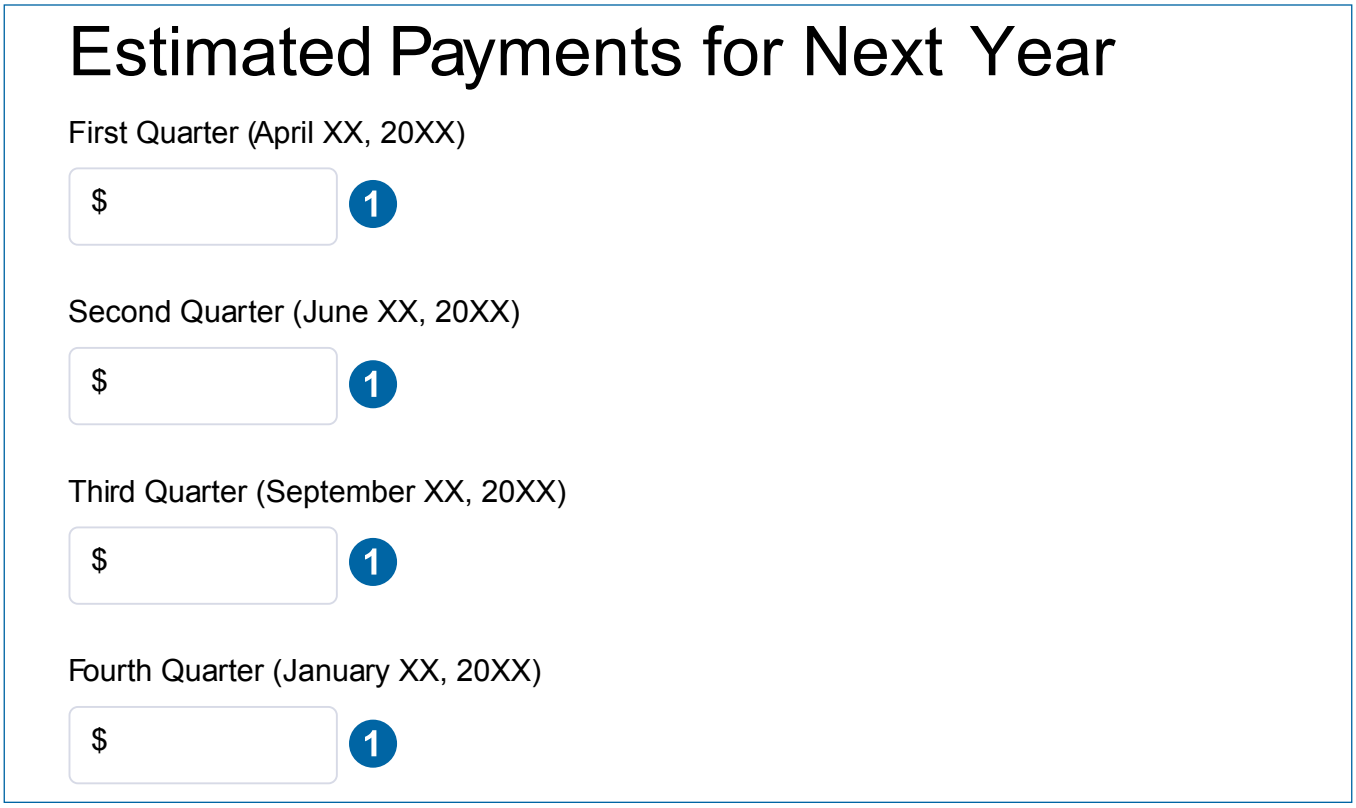
This information only applies to federal balance due returns. For state information, consult the applicable state.

To access TaxSlayer's 1040 Estimated Payments Calculator go to: Payments & Estimates>Vouchers for 20XX Estimated Tax Payments>1040 Estimated Payments Calculator

The **Estimated Tax Worksheet with MFJ/MFS Comparison** in the **Colorado Resource Toolbox** can also be helpful.

(B) Estimated Tax Payments for Next Year

Payments & Estimates>Vouchers for 20XX Estimated Tax Payments; or Keyword VOU

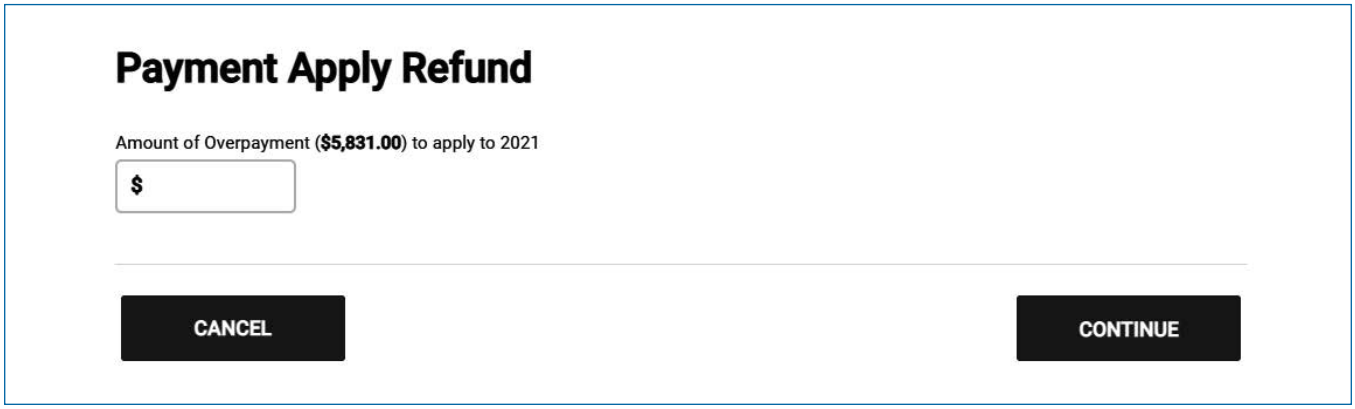


1. Enter amount to be printed on each voucher. Taxpayer can make pen and ink changes to a voucher if the situation changes during the year. At least one amount must be entered for the vouchers to print. A 1040 Estimated Payments Calculator is also available at the above navigation, but not via keyword.

Vouchers will be generated when the return is printed. To enter State Estimated Payments, go to State> Miscellaneous Forms>Estimated Payment Vouchers (may vary by state)

When the IRS due date falls on Saturday, Sunday, or a legal holiday, the due date is the next business day.

Federal Section>Payments & Estimates>Apply Overpayment to Next Year's Taxes



Tab L: Resident/NR Alien

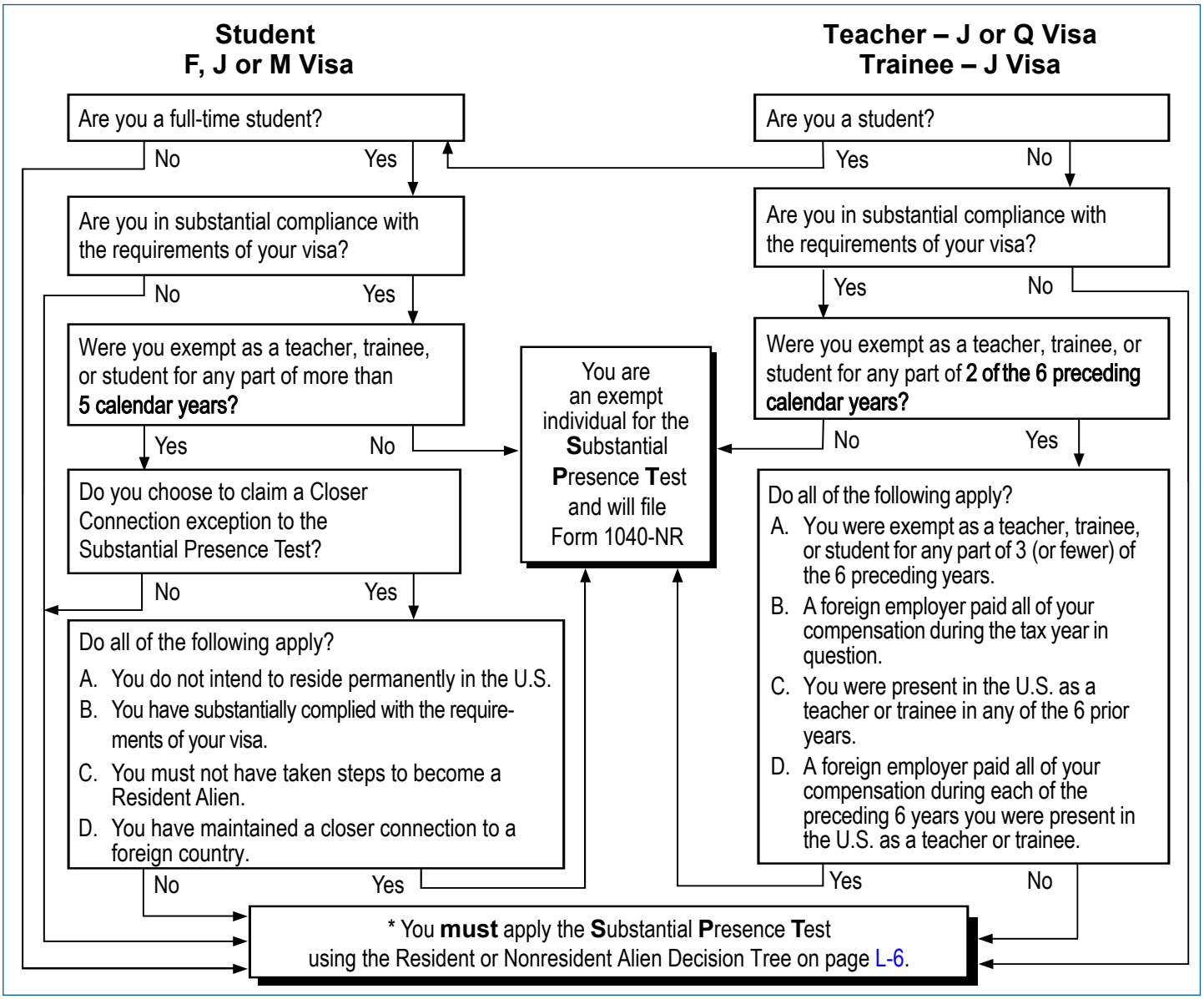
Resident vs. Non-Resident for U.S. Tax Purposes

If the taxpayer or spouse was an alien (not a U.S. citizen), then you must determine if they are a Resident or Nonresident Alien for tax purposes:

- If the taxpayer or spouse was temporarily present in the U.S. on an F, J, M, or Q visa, then use the Substantial Presence Test? - Decision Tree or Chart below to determine if they are an exempt individual for the Substantial Presence Test (SPT). If they are, then Foreign Student and Scholar certification is required (see **Publication 4011** and also see **Publication 5876**).
- For all other aliens, instead proceed directly to the Resident or Nonresident Alien Decision Tree on page L-6 or Chart on page L-8.

Review and pay close attention to Footnotes 6 through 8 on page L-7, which repeat starting on page L-8).

Substantial Presence Test? – Decision Tree



Do not count the following as days of presence in the United States for the substantial presence test: Days you are an exempt individual.

Trainees on a Q visa are **Out of Scope** for the Foreign Student and Scholar program.

Substantial Presence Test? – Decision Chart 1 (Student)

Chart on this page is an alternative (508 Compliant) to the flowchart on the prior page, but the information is the same.

If you are temporarily present in the United States on an F, J, or M visa, use this chart to determine if you are an exempt individual for the Substantial Presence Test (SPT).

Step	Probe / Ask the Taxpayer – Student – F, J, or M Visa	Action
1	Are you a full-time student?	**YES** – Go to Step 2 **NO** – Go to Step 7
2	Are you in substantial compliance with the requirements of your visa?	**YES** – Go to Step 3 **NO** – Go to Step 7
3	Were you exempt as a teacher, trainee, or student for any part of more than 5 calendar years?	**YES** – Go to Step 4 **NO** – Go to Step 6
4	Do you choose to claim a Closer Connection exception to the Substantial Presence Test?	**YES** – Go to Step 5 **NO** – Go to Step 7
5	Do all of the following apply? A. You do not intend to reside permanently in the U.S. B. You have substantially complied with the requirements of your visa. C. You must not have taken steps to become a Resident Alien. D. You have maintained a closer connection to a foreign country.	**YES** – Go to Step 6 **NO** – Go to Step 7
6	You are an exempt individual for the Substantial Presence Test and will file Form 1040-NR	
7	*You must apply the Substantial Presence Test using the Resident or Nonresident Alien Decision Tree on page L-8	

Do not count the following as days of presence in the United States for the substantial presence test: Days you are an exempt individual.

Substantial Presence Test? – Decision Chart 2 (Teacher or Trainee)

The chart on this page is an alternative (508 Compliant) to the flowchart on page L-3, but the information is the same.

If you are temporarily present in the United States as a Teacher on J or Q visa, or Trainee on J Visa, use this chart to determine if you are an exempt individual for the Substantial Presence Test (SPT).

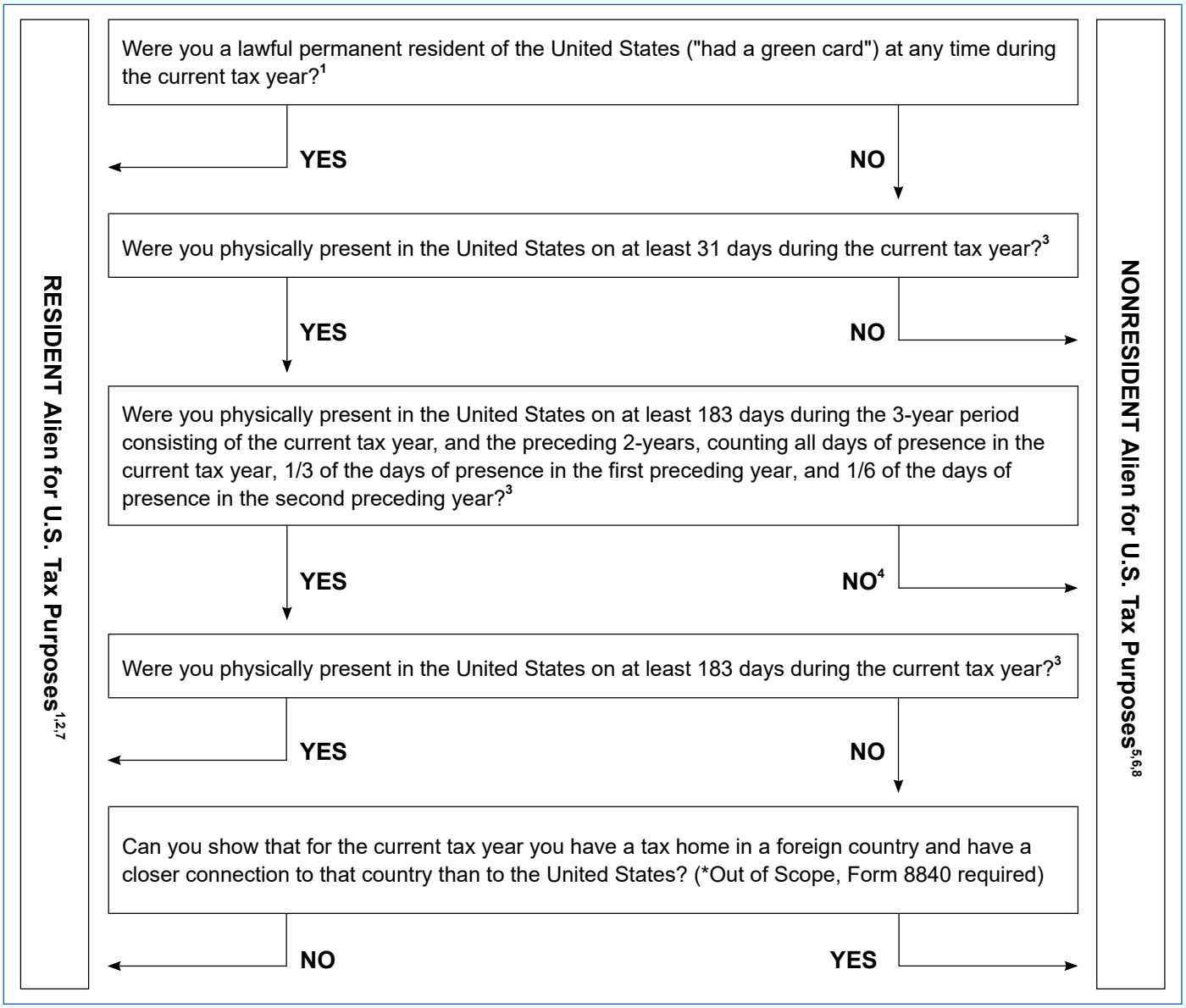
Step	Probe / Ask the Taxpayer – Teacher J or Q/Trainee J Visa	Action
1	Are you a student?	**YES** – Go to Decision Chart 1 on the prior page, starting at Step 1 **NO** – Go to Step 2
2	Are you in substantial compliance with the requirements of your visa?	**YES** – Go to Step 3 **NO** – Go to Step 6
3	Were you exempt as a teacher, trainee, or student for any part of 2 of the 6 preceding calendar years?	**YES** – Go to Step 4 **NO** – Go to Step 5
4	Do all of the following apply? A. You were exempt as a teacher, trainee, or student for any part of 3 (or fewer) of the 6 preceding years. B. A foreign employer paid all of your compensation during the tax year in question. C. You were present in the U.S. as a teacher or trainee in any of the 6 prior years. D. A foreign employer paid all of your compensation during each of the preceding 6 years you were present in the U.S. as a teacher or trainee.	**YES** – Go to Step 5 **NO** – Go to Step 6
5	You are an exempt individual for the Substantial Presence Test and will file Form 1040-NR	
6	*You must apply the Substantial Presence Test using the Resident or Nonresident Alien Decision Tree on page L-8	

⚠ Do not count the following as days of presence in the United States for the substantial presence test: Days you are an exempt individual.

⚠ Trainees on a Q visa are **Out of Scope** for the Foreign Student and Scholar program.

Resident or Nonresident Alien Decision Tree

Determine residency status for federal income tax purposes.



[1]If this is your first or last year of residency, you may have a dual status for the year. See Dual Status Aliens in Pub 519, U.S. Tax Guide for Aliens. (**Out of Scope**)

[2]In some circumstances you may still be considered a nonresident alien and eligible for benefits under an income tax treaty between the U.S. and your country. See Effect of Tax Treaties in Publication 519 and check the provision of the treaty carefully. (**Out of Scope**)

[3]See Days of Presence in the United States in Publication 519 for days that do not count as days of presence in the U.S. (Exempt individuals such as students, scholars, and others temporarily in the U.S. under an F, J, M, or Q visa's immigration status do not count their days of presence in the U.S. for specified periods of time.) Foreign Student and Scholar certification is required to prepare a return for these individuals.

[4]If you meet the substantial presence test for the following year, you may be able to choose treatment as a U.S. resident alien for part of the current tax year. See Substantial Presence Test under Resident Aliens and First Year Choice under Dual Status Aliens in Publication 519. (**Out of Scope**)

[5]Nonresident students from Barbados and Jamaica, as well as trainees from Jamaica, may qualify for an election to be treated as a U.S. Resident for tax purposes under their tax treaty provisions with the U.S. A formal, signed, election statement must be attached to the Form 1040 (**preparation of the statement is Out of Scope**). (It continues until formally revoked.)

Footnotes (cont'd)

6. If after using the Substantial Presence Test? – Decision Tree/Chart on page L-3 and the Resident or Nonresident Alien Decision Tree/Chart on the prior page and have determined a taxpayer is a Nonresident Alien for U.S. Tax Purposes:
   - You will only complete a tax return for a Nonresident Alien if you have certified on the Foreign Student and Scholar tax law, and at least 1 other person at your site is also certified on the Foreign Student and Scholar tax law, who can quality review the return.
   - See the **Tax-Aide Scope Manual**, Form 1040-NR, to confirm if the return is In Scope.
   - Be sure to have the taxpayer complete Form 13614-NR, Nonresident Alien Intake and Interview Sheet, and use **Publication 4011**, VITA/ TCE Foreign Student and Scholar Volunteer Resource Guide, to conduct the Quality Review.
   - As the initial return screen opens or under the Basic Information Section in TaxSlayer Pro, select Nonresident Alien, if you have certified under the Foreign Student and Scholar tax law and the taxpayer's circumstances are within the scope of the Foreign Student and Scholar VITA program.

   After selecting the Nonresident Alien filing status, you will be given three (3) choices; Single nonresident alien, Married nonresident alien, or Qualifying Surviving Spouse.
7. If after using the Substantial Presence Test? – Decision Tree/Chart on page L-3 and the Resident or Nonresident Alien Decision Tree/Chart on the prior page and have determined a taxpayer is a Resident Alien for U.S. Tax Purposes, and does not meet any of the exceptions that would be outside of the scope of the VITA program, select one of the filing statuses listed under the Basic Information Section in TaxSlayer Pro. A Resident Alien is treated like a U.S. Citizen when determining filing status.
8. At the end of the tax year, if you are married and one spouse is a U.S. citizen or a resident alien and the other spouse is a nonresident alien, you can choose to treat the nonresident spouse as a U.S. resident. In this case, both spouses must report and pay tax on their worldwide income.
   (This choice is in effect for the taxable year for which you made the election and for all subsequent years until revoked or suspended). See Nonresident Spouse Treated as a Resident in **Publication 519**, U.S. Tax Guide for Aliens, for more details. **(This election is Out of Scope for the Foreign Student and Scholar certification).**
   - A checkbox is provided on Form 1040 to make this election (checkbox is In Scope (see #9 on page B-22), but choosing to make the election and preparing the required statement as described in **Publication 519** is the responsibility of the taxpayer and spouse). Advising on making this election is **Out of Scope** (refer taxpayer to a professional tax preparer for advice). This election also applies to future years unless suspended or ended. A joint return must be filed for the first year in which this election is made, however a joint or married filing separate return may be filed in subsequent years.

Resident or Nonresident Alien Decision Chart

Chart on this page is an alternative to the flowchart on page L-6, but the information is the same.

Determine residency status for federal income tax purposes.

Step	Probe/Ask the taxpayer	Action
1	Were you a lawful permanent resident of the United States (had a "green card") at any time during the current tax year?	**YES** – RESIDENT Alien for U.S. tax purposes[1,2,7] **NO** – Go to Step 2
2	Were you physically present in the United States on at least 31 days during the current tax year?[3]	**YES** – Go to Step 3 **NO** – NONRESIDENT Alien for U.S. tax purposes[5,6,8]
3	Were you physically present in the United States on at least 183 days during the 3-year period consisting of the current tax year and the preceding 2 years, • counting all days of presence in the current tax year, • 1/3 of the days of presence in the first preceding year, and • 1/6 of the days of presence in the second preceding year?[3]	**YES** – Go to Step 4 **NO** – NONRESIDENT Alien for U.S. tax purposes[4,5,6,8]
4	Were you physically present in the United States on at least 183 days during the current tax year?[3]	**YES** – RESIDENT Alien for U.S. tax purposes[1,2,7] **NO** – Go to Step 5
5	Can you show that for the current tax year you have a tax home in a foreign country and have a closer connection to that country than to the United States? *(Out of Scope, Form 8840, Closer Connection Exception Statement for Aliens required)	**YES*** – NONRESIDENT Alien for U.S. tax purposes[5,6,8] **NO** – RESIDENT Alien for U.S. tax purposes[1,2,7]

1. If this is your first or last year of residency, you may have a dual status for the year. See Dual Status Aliens in Pub 519, U.S. Tax Guide for Aliens. **(Out of Scope)**
2. In some circumstances you may still be considered a nonresident alien and eligible for benefits under an income tax treaty between the U.S. and your country. See Effect of Tax Treaties in Publication 519 and check the provision of the treaty carefully.**(Out of Scope)**
3. See Days of Presence in the United States in Publication 519 for days that do not count as days of presence in the U.S. (Exempt individuals such as students, scholars, and others temporarily in the U.S. under an F, J, M, or Q visa's immigration status do not count their days of presence in the U.S. for specified periods of time.) Foreign Student and Scholar certification is required to prepare a return for these individuals.
4. If you meet the substantial presence test for the following year, you may be able to choose treatment as a U.S. resident alien for part of the current tax year. See Substantial Presence Test under Resident Aliens and First Year Choice under Dual Status Aliens in Publication 519. **(Out of Scope)**
5. Nonresident students from Barbados and Jamaica, as well as trainees from Jamaica, may qualify for an election to be treated as a U.S. Resident for tax purposes under their tax treaty provisions with the U.S. A formal, signed, election statement must be attached to the Form 1040 **(preparation of the statement is Out of Scope)**. (It continues until formally revoked.)
6. If after using the Substantial Presence Test?- Decision Tree/Chart on pages L-4 and L-5 and the Resident or Nonresident Alien Decision Tree/ Chart above and have determined a taxpayer is a Nonresident Alien for U.S. Tax Purposes:
   - You will only complete a tax return for a Nonresident Alien if you have certified on the Foreign Student and Scholar tax law, and at least 1 other person at your site is also certified on the Foreign Student and Scholar tax law, who can quality review the return.
   - See the Tax-Aide Scope Manual, Form 1040-NR, to confirm if the return is In Scope.
   - Be sure to have the taxpayer complete Form 13614-NR, Nonresident Alien Intake and Interview Sheet, and use Publication 4011, VITA/TCE Foreign Student and Scholar Volunteer Resource Guide, to conduct the Quality Review.
   - As the initial return screen opens or under the Basic Information Section in TaxSlayer Pro, select Nonresident Alien, if you have certified under the Foreign Student and Scholar tax law and the taxpayer's circumstances are within the scope of the Foreign Student and Scholar VITA program.

   After selecting the Nonresident Alien filing status, you will be given three (3) choices; Single nonresident alien, Married nonresident alien, or Qualifying Surviving Spouse with dependent child.
7. If after using the Substantial Presence Test?– Decision Tree/Chart on pages L-4 and L-5 and the Resident or Nonresident Alien Decision Tree/ Chart above you have determined a taxpayer is a Resident Alien for U.S. Tax Purposes, and does not meet any of the exceptions that would be outside of the scope of the VITA program, select one of the filing statuses listed under the Basic Information Section in TaxSlayer Pro. A Resident Alien is treated like a U.S. Citizen when determining filing status.

Footnotes *(cont'd)*

[8]At the end of the tax year, if you are married and one spouse is a U.S. citizen or a resident alien and the other spouse is a nonresident alien, you can choose to treat the nonresident spouse as a U.S. resident. In this case, both spouses must report and pay tax on their worldwide income.

(This choice is in effect for the taxable year for which you made the election and for all subsequent years until revoked or suspended). See Nonresident Spouse Treated as a Resident in Publication 519, U.S. Tax Guide for Aliens, for more details. (**This election is Out of Scope for the Foreign Student and Scholar certification**).

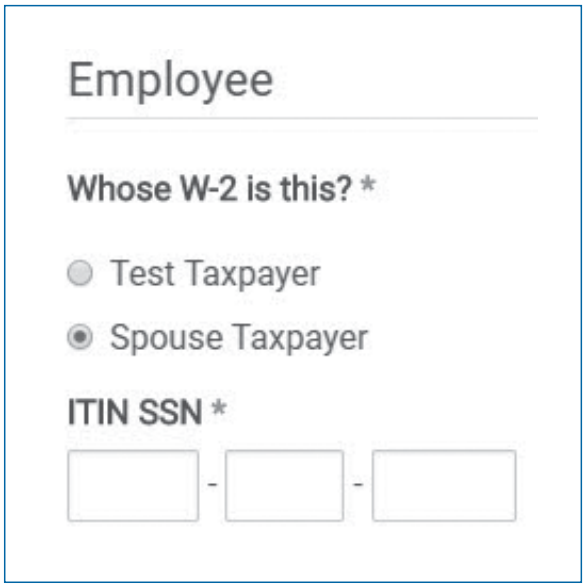
- A checkbox is provided on Form 1040 to make this election (checkbox is In Scope (see #9 on page B-22), but choosing to make the election and preparing the required statement as described in Publication 519 is the responsibility of the taxpayer and spouse). Advising on making this election is **Out of Scope** (refer taxpayer to a professional tax preparer for advice). This election also applies to future years unless suspended or ended. A joint return must be filed for the first year in which this election is made, however a joint or separate return may be filed in subsequent years.

Electronic Filing of Returns with Valid ITIN

Federal Section>Income> Form W-2; or Keyword "W"

Returns can be electronically filed when the taxpayer has an Individual Taxpayer Identification Number (ITIN) but has a Form W-2 with a Social Security Number (SSN) that belongs to another taxpayer. The taxpayer may be working on an erroneous Social Security number. Use that Social Security number only on the Form W-2.

1. The taxpayer's ITIN must be entered on the personal information screen in the space provided for the taxpayer's or spouse's Social Security number, if applicable.
2. When completing the Form W-2 in TaxSlayer, enter the SSN shown on the paper Form W-2. The Internal Revenue Service requires the manual key entry of the Taxpayer Identification Number (TIN) as it appears on Form W-2 received from the employer for all taxpayers with ITINs who are reporting wages. The ITIN that was entered when the return was started won't auto-populate the TIN on Form W-2 for these ITIN filers.



ITIN taxpayers requesting to file Forms 1099-R, Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts etc., with an incorrect Social Security Number must file a paper return. These returns can't be e-filed. There are no procedures in place to e-file these types of returns.

(B) Creating a Temporary ITIN when the Taxpayer, Spouse, or Dependent(s) are Applying for an ITIN

Federal Section>Miscellaneous Forms>Application for ITIN; or Keyword: W7 or ITIN

TaxSlayer will not generate temporary ITINs for the taxpayer, spouse and/or dependents on a return if Form W-7, Application for IRS Individual Taxpayer Identification Number, is needed. The ITIN application requires a federal tax return be associated with all Form W-7 applications (with some exceptions) as noted in the instructions for Form W-7. Federal tax returns can't be filed using electronic return preparation software without a TIN (taxpayer identification number). If the taxpayer is working under an erroneous Social Security number, that Social Security number should be used only on the W-2.

1. For a taxpayer or spouse needing to complete Form W-7, in Basic Information enter the SSN with all digits as zeros "0." Note that TaxSlayer will increment these TINs by 1 after you save this screen, but will leave the SSN blank on Form 1040.
2. For dependents needing to complete Form W-7, in Basic Information check the box next to "Check box if the dependent does not have an SSN/ITIN/ATIN." Then select "Yes" to the statement "This dependent will be completing a Form W-7, Application for ITIN."
3. Create a separate W-7 application in TaxSlayer for each family member applying for an ITIN. Make sure that names match required documentation that clients will be submitting with their W-7 application(s). See page B-19, Entering the Last Name Correctly for additional information.
4. Print the return package and provide it to the taxpayer.
   - If the taxpayer has a family pack that includes multiple Forms W-7 with one return, or multiple returns with one Form W-7, these forms should be staggered and stapled together to show the entire package as a family pack. This will prevent separation of the forms/returns that could delay the processing time.
5. Have taxpayers mail Form W-7 application(s), all original supporting documentation or certified copies of documents from the issuing agency, and tax return to the address shown in the **Form W-7 instructions**. Alternatively, the taxpayer can take all of this to a Certifying Acceptance Agent (CAA) or local Taxpayer Assistance Center (TAC) for ITIN Authentication.

Not all TAC offices are authorized to perform ITIN Authentication. See the list of supporting documentation in the Instructions for Form W-7, Application for IRS Individual Taxpayer Identification Number.

6. If applicable, prepare a copy of the state return with a copy of the federal return attached. If taxpayers will not owe state taxes, suggest they hold the state return until they receive their official ITIN letter(s), which may take 7 weeks (9 to 11 weeks if submitted during peak processing periods, January 15 through April 30). Once the ITIN(s) is assigned, record them on the state tax returns before mailing.

Creating a Temporary ITIN when the Taxpayer, Spouse, or Dependent(s) are Applying for an ITIN (cont'd)

ITINs assigned before 2013 have expired. ITINs issued after January 1, 2013, will expire on December 31st of the third consecutive year of non-use for any taxpayer who fails to file a federal income tax return for three consecutive tax years. Taxpayers no longer face mandatory expiration of their ITINs — ITINs will remain in effect as long as a taxpayer continues to file U.S. tax returns.

A taxpayer whose ITIN has been deactivated and needs to file a tax return can reapply using Form W-7. If a renewal application was previously submitted and approved, the applicant does not need to renew again.

For more information refer to the **Form W-7 Instructions**.

The following communication products provide information on the Individual Taxpayer Identification Number (ITIN) program.

- **Publication 519**, U.S. Tax Guide for Aliens
- **Publication 519 (sp)**, U.S. Tax Guide for Aliens (Spanish Version)
- **Publication 1915**, Understanding Your IRS Individual Taxpayer Identification Number ITIN
- **Publication 1915 (sp)**, Understanding Your IRS Individual Taxpayer Identification Number ITIN (Spanish Version)

Tab M: Other Returns

Overview of Amended Return Preparation Process in TaxSlayer

Access the federal and state amended return screens from the navigation menu on the left side of the screen.

Taxpayers should file Form 1040-X, Amended Return, to correct any errors or omissions on a return they have already filed. Taxpayer should file an amended return if they:

- received another Form W-2, a corrected Form W-2, or another income statement that was not reported on the original return,
- received an additional Form 1099 (such as unemployment compensation) or a corrected Form 1099 that was not reported on the original return,
- claimed dependents, deductions or credits they should not have claimed,
- did not claim dependents, deductions or credits they could have claimed,
- should have used a different filing status, or
- have a change in their tax liability.

Taxpayers usually do not need to file an amended return to fix a math error or if they forgot to attach a form or schedule. The IRS will correct the math error while processing the tax return and notify the taxpayer by mail. The agency will send a letter to request any missing forms or schedules.

See Claiming a Refund for a Deceased Person on page K-20 if filing an amended return to claim a refund for a deceased taxpayer.

When to file an amended return?

File an amended return after an original return has been submitted and accepted. You can confirm this using:

- Where's My Refund?
- Taxpayer’s on-line account in the current processing year

If the amended return has a balance due, then file it by the return's due date, even if the original return has not been processed yet.

Generally, taxpayers must file a claim for a credit or refund within 3 years after the date the original return was filed or within 2 years after the date the tax was paid, whichever is later. Returns filed before the due date (without regard to extensions) are considered filed on the due date (even if the due date was a Saturday, Sunday, or legal holiday).

When you cannot file an amended return

Once you have filed your tax return as Married Filing Jointly you can not amend to change your filing status to Married Filing Separate after the due date of the original return.

Electronic vs. Paper Amended

Amended returns can be filed electronically for Form 1040, 1040-SR, 1040-NR, or 1040-SS for the current or two prior tax periods. Amended returns for any other tax years or tax types must be filed by paper. A Form 1040-X can be e-filed if the SSN matches a previously "accepted" e-filed return (even non-TaxSlayer e-files). Taxpayers will be allowed to electronically file up to three "accepted" amended returns. After the third accepted Amended Return, all subsequent attempts will reject.

Amended returns must also be filed by paper if:

- the original return was filed by paper in the current processing year.
- the primary Social Security number is different from the one provided on the original return.
- the spouse's Social Security number (if applicable) is different from the one provided on the original return.
- responding to an IRS notice and including other changes to the return not included in the notice (send to address on notice)
- a court-appointed or certified personal representative is filing the amended return to claim a refund for a deceased taxpayer using Form 1310, Option B. See page K-20.

Direct deposit and direct debit are available for electronically filed amended returns.

The current processing time can take up to 16 weeks for both paper and electronically filed amended returns.

Taxpayers can also amend their return electronically if there is change to their filing status or to add a dependent who was previously claimed on another return.

For more information, see **IRS Form 1040-X FAQs**

Deleting an Amended Return

To delete an unwanted amended return from TaxSlayer:

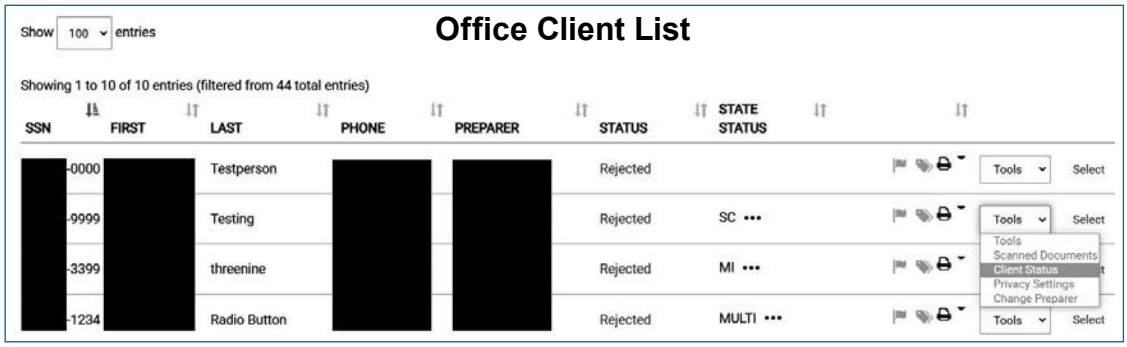
- Go to the **20XX Amended Return menu** and select **Delete Amended Return**.
- If a return was previously filed, then delete any changes made in TaxSlayer.
- Select **Summary/Print>View/Print Return** and verify there is no 1040-X. If a return was previously filed, then also confirm it matches the originally filed return.



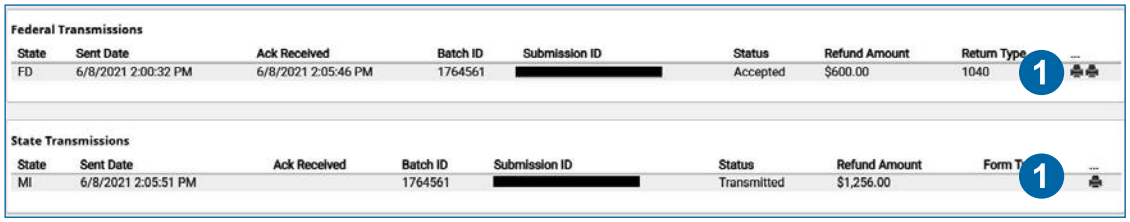
The above actions will only delete the federal amended return. If needed, you must separately delete state amended returns (or answer "No" within the state to the "Do you want to file an amended return?")

Original Return Prepared by the Site and Accepted in TaxSlayer

The guidance for preparing an amended return depends on whether or not the VITA/TCE site prepared the original return. If the VITA/TCE site amending the return prepared the original return in TaxSlayer, print a copy of the return. A copy of the original federal and state returns is available in the Client Status section on the Office Client List page.



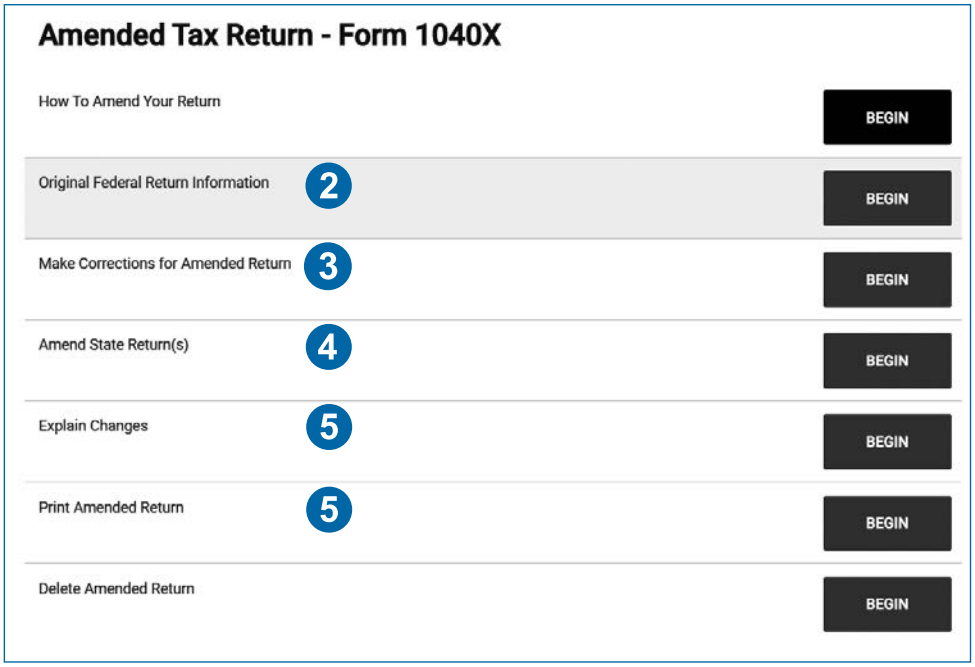
To view and print the original filed and accepted return, go to Client List>Tools>Client Status.



1. Clicking on these links displays the original accepted return. Other Icon is **Form 9325**, Acknowledgement and General Information for Taxpayers Who File Returns Electronically.

When changing the filing or residency status, TaxSlayer warns that all state returns will be deleted. Regardless of the state, the steps to amend a state return are consistent. TaxSlayer asks for the state refund amount or the amount paid if there is a state balance due.

2. Pull the original tax return amounts to Form 1040-X, Amended Return, column A. Original Amount, by taking the following steps:
   a. Find and open the original return in TaxSlayer.
   b. Select 20XX Amended Return in the left navigation bar. TaxSlayer displays the Amended Tax Returns – Form 1040-X page:
   c. Select **Begin** on the **Original Federal Return Information** line.



d. Because the IRS accepted the return through TaxSlayer, the software defaults the original accepted return information on this page. Compare the carryforward information to the printed original return. Make changes if necessary. If the IRS issued a notice and made an adjustment to the original return or if the taxpayer previously filed an amended return, update the information accordingly using these documents.

e. On the designated line, show the amount paid with the original return plus any additional tax paid later. Also include any pending direct debit payment unless the taxpayer will cancel it. Filing an amended return will not automatically cancel a previously scheduled direct debit payment. Refer to Part II of **Form 8879** for instructions on how the taxpayer can revoke/cancel a scheduled payment and the appropriate time frame.

f. If the taxpayer is changing any information relating to dependents, has changed their address, or wants to change an election for the Presidential Election Campaign Fund, select the appropriate check boxes at the bottom of the page. If the taxpayer is not changing dependent information, uncheck the last box.

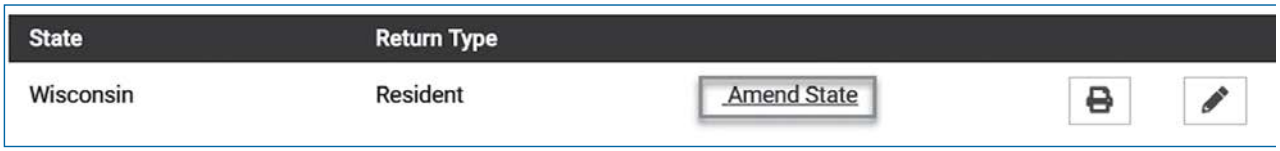
g. When finished, select **Continue**.

3. Go to **Make corrections for Amended Return** and make all necessary changes based on the new information from the taxpayer. (For example, if the taxpayer needs to add a Form W-2, add it now as you would if preparing a return normally).

4. Amend the State Return (if needed).

a. Select **Begin** on the **Amend State Return(s)** line. If there are no state changes, skip to step 5.

b. Select **Amend State** for the state you need to amend.



c. Select **Begin** on the Amended Return line.

d. Read the screen and select **Yes** from the drop-down list or click the **Yes** radio button.

e. Select **Begin** on the Review and Complete Amended Return line.

f. Select **Begin** on each line of the State Return: Review and Complete Amended Return page. Use the printed original return to ensure all information has been entered correctly based on the original accepted return. Indicate the reason for amending the state return (varies by state).

g. If not already done, go to the Payments and Credits line and select **Begin**. Enter the amount paid with the original State Return or the amount of the state refund received.

h. When you finish reviewing all information, select **Back**.

i. TaxSlayer Pro displays the State Return: Amended Return page. When finished with all the information for the amended return, select **Save**, then **Exit** return to leave the state's page. Repeat as necessary for other states.

5. Review amended return and explain changes.

   a. Select 20XX Amended Return in the left navigation bar to return to the Amended Tax Return – Form 1040X page. Next, select **Print Amended Return**, select **Begin**, then **Continue**. On the "Print Results" page select Print your 20XX Tax Return.

   b. In the PDF file of the return, examine Column A to verify all the information agrees with the original Form 1040, U.S. Individual Tax Return. Next, verify the amounts in Column C agree with the amended return figures. Then, confirm Column B is the difference between Columns C and A, which represents the amounts of what is being added or removed.

   c. Verify the correct amount overpaid or owed. On page 2, verify that all information is correct and that appropriate boxes are checked for qualifying children eligible for Child Tax Credit.

   d. If the state form is amended, scroll down the pdf to the state forms and verify that additions to or subtractions from the federal AGI that were manually made on the amended state return are correct.

   e. Write down which lines have changed on Form 1040-X and state amended return.

   f. Select **Begin** on the **Explain Changes** line. Enter each line number and an explanation for the change on that line. Repeat with each state amended return (menu wording and location varies by state).

   g. Ask a Quality Reviewer to double-check all entries on the federal and state amended returns.

6. Go to e-file section shown below:

   a. Select the radio button for **Amended tax return** and click **Continue**.



For states that permit it, TaxSlayer now supports e-filing state amended returns for TY2023 and later through the **Amended tax return** e-file screen flow shown here.

   b. At the following screen, set the return type to E-file: Mail Payment, E-file: Direct Debit, E-file: Paper Check, E-file: Direct Deposit, or Paper Return. If amending the state return, then set its return type as well. If direct deposit or direct debit is selected for a state amended return, the bank account details should be entered within the state's amended return screens.

   c. Continue through the remainder of the Submission section.

   d. Print return copies for IRS, state, and taxpayer as shown below. For e-filed amended returns, also print Form 8879, IRS e-file Signature Authorization and any state equivalent. If Form 8879 shows an incorrect balance due (1040-X Line 20) or overpayment (1040-X Line 21), then make pen and ink correction.

Amended Return Print Chart

Tax Forms	For filing with IRS	For filing with State	Taxpayer's Copy
Form 1040-X	Only if paper filed	Only if paper filed	1
Form 1040 with "As Amended" printed across the top	Only if paper filed	Only if paper filed	1
Any federal schedules/forms changed or added	Only if paper filed	Only if paper filed	1
Federal Form 1040-V payment voucher (if applicable)	Only if electronically filed		
State payment voucher (if applicable)		If applicable	
Any required State forms		Only if paper filed	1

7. If the amended return will be e-filed:
   a. If amended return results in a balance due, review Form 1040-V, Payment Voucher. If amount is not correct, make pen and ink change. If missing from the print package, fill in and print **Form 1040-V**. For a prior year return, use **Prior Year Form 1040-V** for the year of amended return, but provide taxpayer with the **current Form 1040-V mailing address**.
   b. Share return with taxpayer and secure signature(s) on Form 8879 and any state equivalent.
   c. In TaxSlayer, mark return Complete, save and exit.
   d. After return has been transmitted, check status on Client List>Tools>Client Status. There will be a listing for return type of 1040 (Amended). Ensure return is accepted.
   e. If a state amended return was also e-filed, then confirm it was transmitted and accepted after the federal return is accepted. See the TaxSlayer tip on the prior page.
8. If the amended return will be paper filed:
   a. Do not attach original return, correspondence, or other items unless required to do so.
   b. Assemble the following behind Form 1040-X:
      i. "As Amended" Form 1040, 1040-SR, or 1040-NR
      ii. Any schedules or forms that were changed to support amounts that were refigured. Attach these in the "Attachment Sequence No." order shown in the upper-right corner of the schedule or form.
      iii. Supporting statements, if any, should be arranged in the same order as the schedules or forms they support and attached last.
   c. Staple to the front of the 1040-X:
      i. A copy of any Form W-2 or Form W-2c that supports changes on this return.
      ii. A copy of any Form W-2G or 1099-R that support changes on this return, but only if tax was withheld.
   d. Have the taxpayer(s) sign the Form 1040-X and any paper filed amended state return.
   e. Direct deposit and direct debit are not available for paper filed amended returns. If there is a balance due, the taxpayer needs to enclose (do not attach) their payment in the envelope with their amended return following the instructions at **irs.gov/payments/pay-by-check-or-money-order**. A payment voucher is not needed. Alternatively, taxpayers can make a payment online at **irs.gov/payments**.
   f. If responding to a notice from the IRS to include other changes not included in the notice, send the federal amended return to the address shown on the notice. If not, use the **current Form 1040-X mailing address**.
   g. Verify the state payment voucher amount (if used for your state) and that the state amended return requirements are met.

The paper filing requirements vary from above if amending Form 1040-NR, or switching to Form 1040 from Form 1040-NR or vice versa. See *Resident and nonresident aliens* in the **Instructions for Form 1040-X**.

If e-filing, use client status to check on transmission or acceptance

Original Return Not Created by the Site Preparing the Amended Return

Tax-Aide Policy: Volunteers should have taxpayers refer to their original preparer for amendment requests on returns originally prepared outside of Tax-Aide.

The taxpayer must provide a copy of the original return, IRS adjusted amounts after the original return was processed, or previously filed amended returns.

1. Since the return does not currently exist, create a complete and correct federal return (and state return, if applicable). These return figures comprise Form 1040-X, Column C, Correct amount. When amending a return electronically, all documents must be input individually.

   Some volunteers prefer to first create an incorrect/incomplete return that matches the original return, and then add the missing information and make any required corrections. This can help ensure that any changes entered are from the starting point of the original return. This additional step is optional and may not be possible in some cases; e.g., if the original return had calculation errors.

2. Go to the 20xx Amended Return menu > Original Federal Return Information screen to provide the original return information.

   a. This menu populates Form 1040-X, column A. Enter information from original return, or adjusted figures if a previous amendment was filed or an IRS adjustment was made.

   b. Form 1040-X columns C will populate based on the return prepared with the amended information. Column B will populate based on the differences between Columns C and A.

   c. Go to the Amend State Return screen.

   d. Select **Edit Amended** link at Amended State Return screen.

   e. Select **Amended Return**.

   f. Select **Yes** at the Create Amended Return box.

   g. Complete entries at Review and Complete Amended Return screen, particularly entries involving dollar amounts.

3. When you have confirmed or entered all amounts from the original return, continue with steps 5 through 8 starting on page M-7.

Taxpayers can use the **Where's My Amended Return?** online tool to check the status of their Form 1040-X. When using the tool, taxpayers will need to enter their Social Security or Taxpayer Identification number along with their date of birth and ZIP code to prove their identity. Once authenticated, they can view the status of their amended return across three processing stages: received, adjusted and completed.

Prior Year Returns

Who Can Prepare Prior Year Returns?

Sites are encouraged to prepare prior year returns in accordance with the **Tax-Aide Policy and Procedures Manual**, including:

- Preparer and Quality Reviewer must be trained and certified for the prior year's tax return and scope.
- The Tax-Aide Intake Booklet specific to the prior year must be completed by the taxpayer.
- The return must be In Scope per Tax-Aide's Scope Manual specific to the prior year.

For access to prior year materials, see Useful Tools and Resources below. Determining the certification level of the return is described below in Getting Started.

Getting Started:

- TaxSlayer only provides software for the 5 years prior to the current tax year. Review the applicable NTTC 4012 revision for the tax year being prepared.
- The **prior year Tax-Aide Intake Booklet** must be completed for each prior year and will be used to determine the scope and certification level of each return. Review the Form 13614-C revision for the prior year being prepared. Ask questions pertaining to tax law provisions applicable for that year that may no longer be relevant for the current year.
- Taxpayers with Out of Scope returns should be advised to seek assistance from a professional tax preparer.
- Assign prior year returns to experienced volunteers if at all possible.
- Direct Deposit and Form 8888 (split refund option) are available for prior year returns. If scheduling direct debit for a prior year return, the payment date must be the date the return is transmitted or within the five days preceding that date. Taxpayers may also go to **www.irs.gov/payments** to make a payment online.
- If completing returns for more than one year, complete the earliest tax return year first (e.g. 2020). After completing the 2020 return, log out and log back in. Then the 2021 return can be started with some carryforward (even if the 2020 return has not been transmitted). TaxSlayer may start the 2021 return without the name showing in the client list. Scroll down or search for the SSN.

Useful Tools and Resources:

- TaxSlayer Pro® Online users can access the prior year software after logging in. The tax year selected will be displayed at the top left of the screen; e.g., 2023 Tax Program. Use the "Change Tax Year" dropdown list at the top right to select a different year.
- Tax-Aide's NTTC 4012, Intake Booklet, and Scope Manual for the current and prior five years are available at **NTTC Useful Tax Prep Links**.
- Prior year NTTC worksheets are available through Google Drive in the **E-Prior Year Tax Return Reference Materials** folder.
- Applicable **prior year Publication 17**, Your Federal Income Tax (For Individuals), are available by searching IRS **Prior Year Forms and Instructions**. Quality Site Requirement Alerts/Volunteer Tax Alerts are available at **Tax-Aide Required Site Materials** (bookmarked on Chromebooks).
- Taxpayer's Wage and Income Transcripts from their IRS records are extremely useful.

Taxpayers can access their transcripts online at **Get Your Tax Records (www.irs.gov/transcript)**. To register for a new account, see **Create a New Account** on IRS.gov for instructions. Taxpayers can also request transcripts to be mailed to the address on file. Most requests will be processed within 10 business days. In addition, taxpayers can request a transcript via **Form 4506-T**, Request for Transcript of Tax Return, or by calling 1-800-908-9946. Return transcripts are available for the current year and returns processed during the prior 3 processing years.

Transcripts ordered online will be masked (redacted). Without EINs, the return cannot be e-filed. **EXCEPTION:** An unmasked wage and income transcript can be provided to the taxpayer when needed for preparing and filing a return. Only the taxpayer, or the taxpayer's authorized representative, or the authorized individual for the decedent can make the request. An unmasked transcript may be provided to a taxpayer (or representative) by requesting it in person at a Taxpayer Assistance Center (TAC). Appointments are required. **Go to Contact Your Local IRS Office (www.irs.gov/appointments)** to find a TAC office near you.

- **Prior year publications and instructions** to forms and schedules are available on the IRS website.
- Use the online tool Interactive Tax Assistant (ITA) for answers to many current and prior year tax law questions. ITA is available on the IRS website. See page P-12 for more details.

Whether to E-File or Mail Prior Year Returns:

Only the two most current prior years can be e-filed. Older prior year returns must be mailed to the appropriate IRS address from the list on page P-11, "Where to File." Also, refer to Tab K, Finishing the Return, for additional information regarding balance due returns and payment options.

Expired Tax Topics and Other Issues Applicable to Prior Years:

Refer to the **prior year Publication 17**, Your Federal Income Tax (For Individuals), for the applicable tax year and review the "What's New" section.

The Protecting Americans from Tax Hikes (PATH) Act of 2015 prevents taxpayers using newly issued tax ID numbers to retroactively claim refundable tax credits in prior years. For example, a taxpayer who filed a tax return under an ITIN and later got an SSN cannot file amended return(s) to claim the EITC.

What if a site cannot prepare a requested prior year return?

If possible, refer the taxpayer to other VITA/TCE sites that offer prior year return service. Otherwise, advise the taxpayer to seek assistance from a paid tax preparer.

Don't refer taxpayers to their local IRS Taxpayer Assistance Center because they no longer prepare tax returns for individuals.

(A) Filing an Injured Spouse Allocation

Federal Section>Miscellaneous Forms>Injured Spouse Allocation; or Keyword: 8379

For tax purposes, an "Injured Spouse" is a person who files a joint tax return with their spouse but is entitled to receive their share of the tax refund because their spouse owes certain past-due debts. These debts may include:

- Unpaid federal or state taxes
- Past-due child or spousal support
- Defaulted federal student loans
- Other non-tax debts (like unemployment overpayments)

1. If the answer to #1 is No, Form 8379 cannot be filed. **Form 8379**, Injured Spouse Allocation, is filed by one spouse (the injured spouse) on a jointly filed tax return when the joint overpayment was (or is expected to be) applied (offset) to a past-due obligation of the other spouse. By filing Form 8379, the injured spouse may be able to get back their share of the joint refund.
2. If the answer to #2 is Yes, Form 8379 cannot be filed.
3. For community property states, see the **Tax-Aide Scope Manual** and **Form 8379 Instructions**.
4. To properly determine the amount of tax owed and overpayment due to each spouse, an allocation must be made as if each spouse filed a separate tax return instead of a joint return. Each spouse must allocate his or her separate wages, self-employment income and expenses (and self-employment tax), and credits such as education credits, to the spouse who would have shown the item(s) on their separate return.
   - Do not allocate the earned income credit.
   - Allocate any child tax credit, credit for other dependents, child and dependent care credit, additional child tax credit, and education credit solely based on a dependent's education expenses to the spouse who would have claimed the qualifying child (or qualifying relative) as a dependent if separate returns had been filed.
   - Allocate any other credits as the taxpayer determines.

   See the **Form 8379 Instructions** for more details on allocating income, deductions and credits.

Form 8379 Injured Spouse Form

Is the primary taxpayer the injured spouse? *
- ○ Yes
- ○ No

If you are married do you want the refund check issued in both of your names? *
- ○ Yes
- ○ No

Do you want any injured spouse refund mailed to an address different form the one on your joint return? *
- ○ Yes
- ○ No

Did (or will) the IRS use the joint overpayment to pay any of the following legally enforceable past-due debt(s) owed only by the non-injured spouse? * 1
- Federal tax
- State income tax
- Child support
- Spousal support
- Federal nontax debt (such as student loan)

- ○ Yes
- ○ No

Are you legally obligated to pay the past-due amount? * 2
- ○ Yes
- ○ No

Were you a resident of a community property state at any time during the tax year? * 3
- ○ Yes
- ○ No

Allocated Items	Amount Shown on Joint Return	Allocated to Injured Spouse	Allocated to Other SP
Wages	$12,000.00	$9000	$3000
Interest income or loss	$0.00	$	$
Business income or loss	$0.00	$	$
Farm income or loss	$0.00	$	$
Capital gain or loss	$0.00	$	$
Pensions and/or IRA's	$2,000.00	$	$2000
Other income or loss	$0.00	$	$
Adjustments to income	$45.00	$	$45
Standard -or- itemized deductions	$31500.00 -or- $0.00	$15750	$15750
Non Refundable Credits	$0.00	$	$
Refundable Credits	$0.00	$	$
Other taxes	$0.00	$	$
Federal tax withheld	$3,000.00	$2000	$1000
Estimated tax payments	$0.00	$	$

4

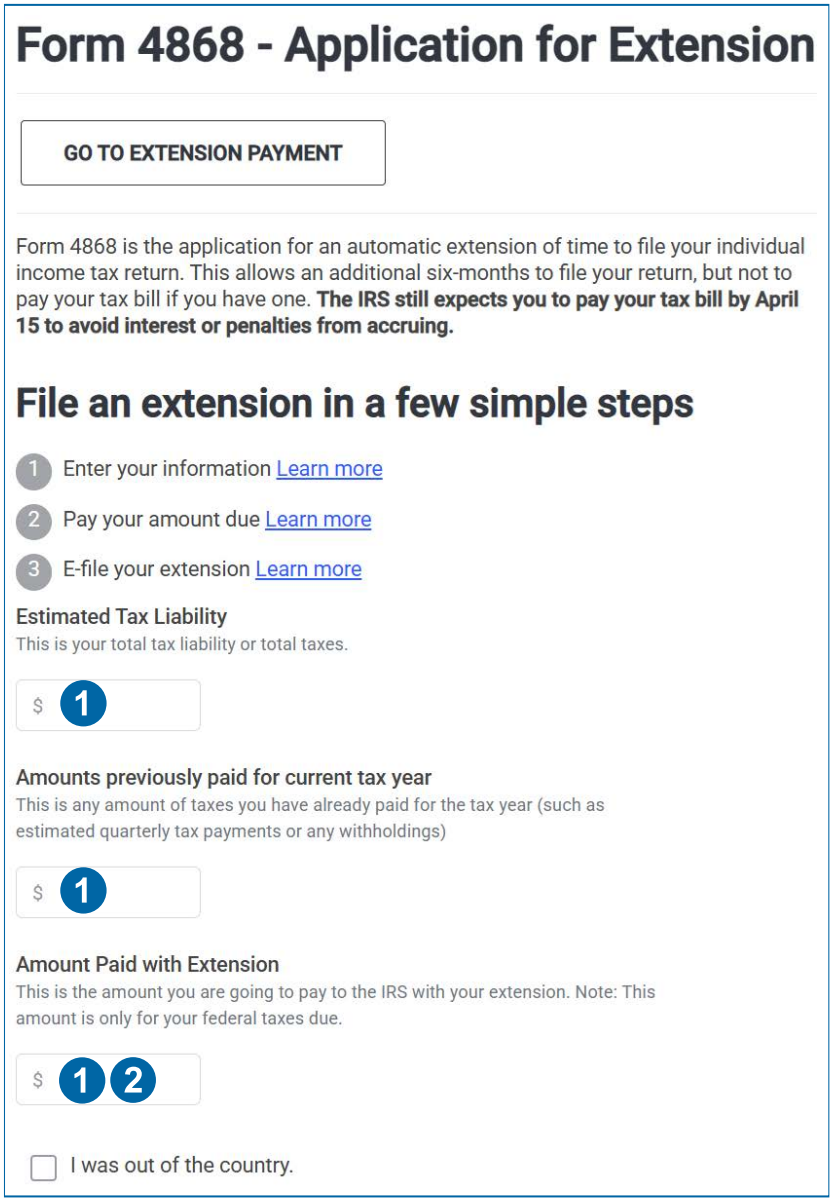
Note: According to the IRS, there may be an 11-14 week delay in receiving your refund when filing Form 8379, Injured Spouse Allocation.

(B) Filing an Extension Using TaxSlayer

Miscellaneous Forms>Application for Automatic Extension of Time to File; or Keyword: 4868 or EXTE

How To File Your Extension

1. Enter your Information: Fill out the required information including the total tax liability, total amounts previously paid for the current tax year, and amount being paid with the extension. Volunteers cannot assist in determining tax liability for Out of Scope topics/forms. Select **Continue**.
2. Pay your amount due: You will need to pay the amount due that you enter for "Amount Paid with Extension." You can do this in one of 3 ways:
   a. Pay by electronic withdrawal from your checking account: You can choose to pay your "payment" amount as an electronic withdrawal from your checking account. Once you enter the amount you would like to pay, check the box that appears to select this option. Enter your banking information, the date you would like the transaction to take place, and re-enter the amount to pay for confirmation. When you submit your extension, the withdrawal information will be sent.
   b. For other payment options go to **www.irs.gov/payments**.
   c. Mail in your payment with your Form 4868: The form will print with your draft tax return. Mail the form with your payment by check or money order.
3. E-file your extension: Start by selecting E-file from the navigation bar. You will then be given the option to file the return (Form 1040 and supporting schedules) or the extension (Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return). The taxpayer **must** sign **Form 8878**, IRS E-file Signature Authorization for Form 4868, prior to completing the extension e-file process. You should receive an electronic acknowledgment within 24-48 hours of e-filing the extension to confirm whether the IRS accepted or rejected it.



Automatic 60 Day Extension to File: Taxpayers whose main home is located in a disaster area are now automatically provided an extension of time to file returns, pay taxes, or complete other time-sensitive acts beginning on the first date specified in a federal disaster declaration and ending 60 days after the last date specified in that federal disaster declaration. Impacted taxpayers no longer need to wait for the IRS to announce postponed deadlines. This automatic relief applies to federal disaster declarations issued after December 20, 2019.

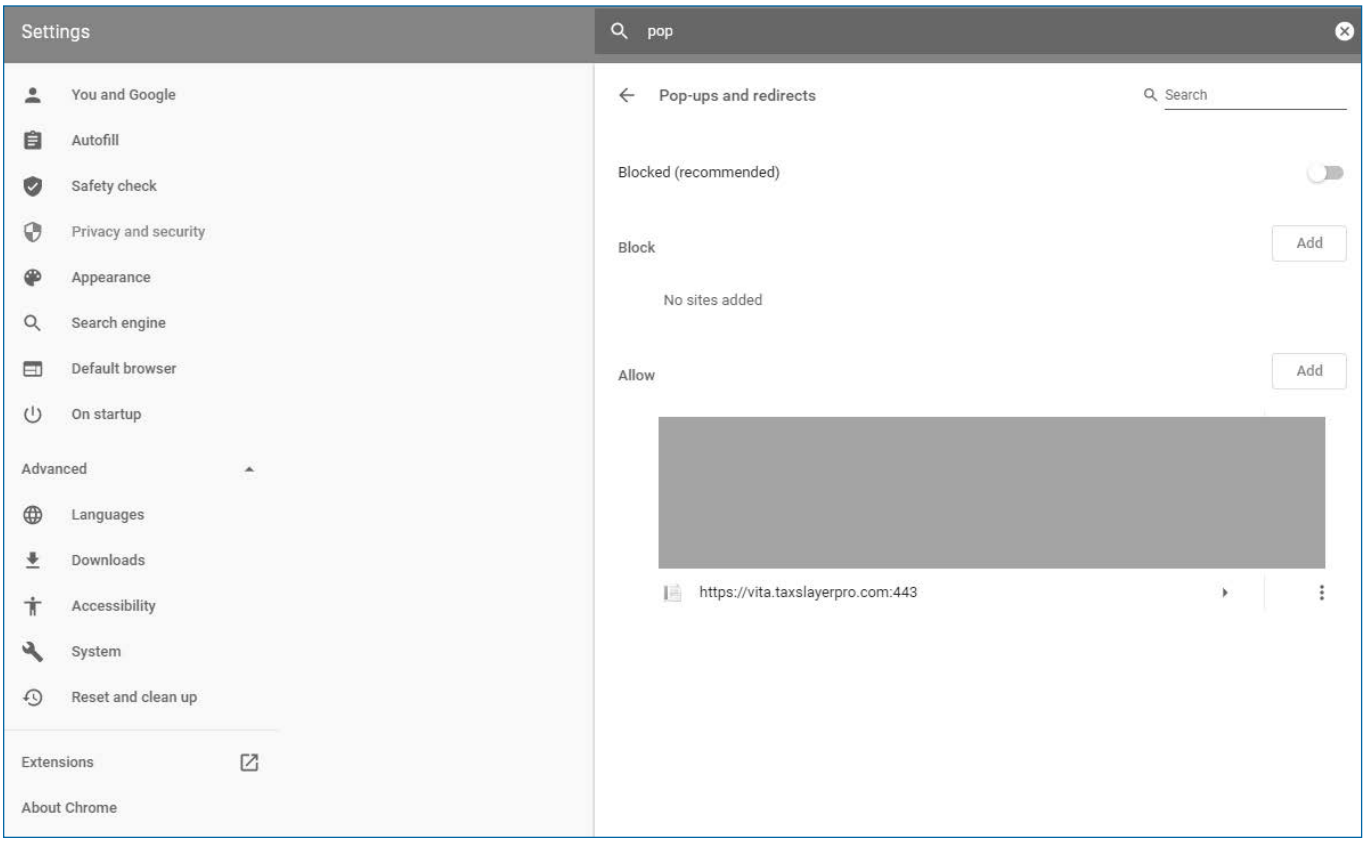
Tab O: Using TaxSlayer® Pro Online

Logging in to TaxSlayer® Pro Online

Tax-Aide Policy: AARP Foundation Tax-Aide provided and managed Chromebooks are required to be used when preparing tax returns (not applicable to Practice Lab).

1. On a Tax-Aide Chromebook, open the Chrome browser and click the **Pro Online** link on the Home Page - VITA/TCE Springboard. A bookmark to TaxSlayer has also been provided under Tax-Aide Links.
2. If you want to bookmark another website, navigate to it in Chrome and click the star on the right edge of the Address Bar.

The following is not applicable to Tax-Aide Chromebooks as popups and redirects have already been enabled: If using Chrome set your browser settings to allow popups and redirects from the TaxSlayer site. Settings>Privacy and Security>Site Settings>Popups and Redirects. On the Allow line, click Add and enter https://vita.taxslayerpro.com:443



Screenshot above only references Chrome.

Another technique in Chrome to unblock a site is to go to a page where popups are blocked. In the address bar, click **Pop-up blocked**. Click the link for the popup you want to see. To always see popups for the site, select **Always allow pop-ups and redirects from [site]**, and then **Done**.

Logging in to TaxSlayer® Pro Online (cont'd)

Logging in to Pro Online

The user name isn't case sensitive. To log in to TaxSlayer® Pro Online, enter your Username and Password, then select **Login**. For added security, TaxSlayer uses a method called Multifactor Authentication, where a code is sent to you at a known point of contact to verify your identity.

You will be prompted to verify your account by having a code sent either to your email address or a cell phone capable of receiving text messages. In most cases, text messages are the fastest method of verification. Select your preferred option, and select **Send Code**.

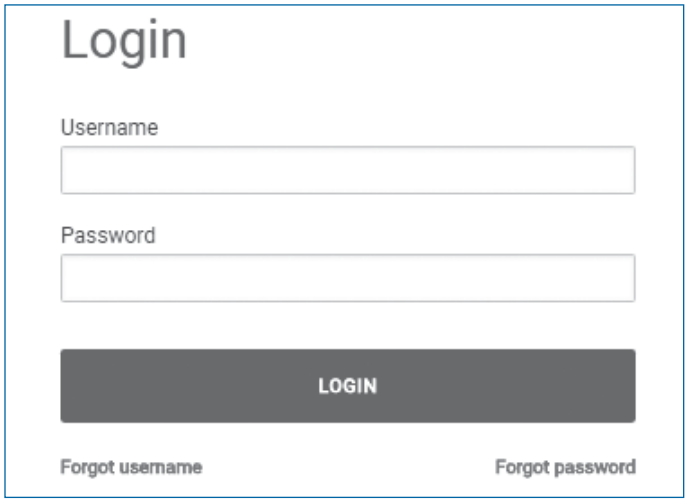
When you receive your code, enter it and select **Verify**.

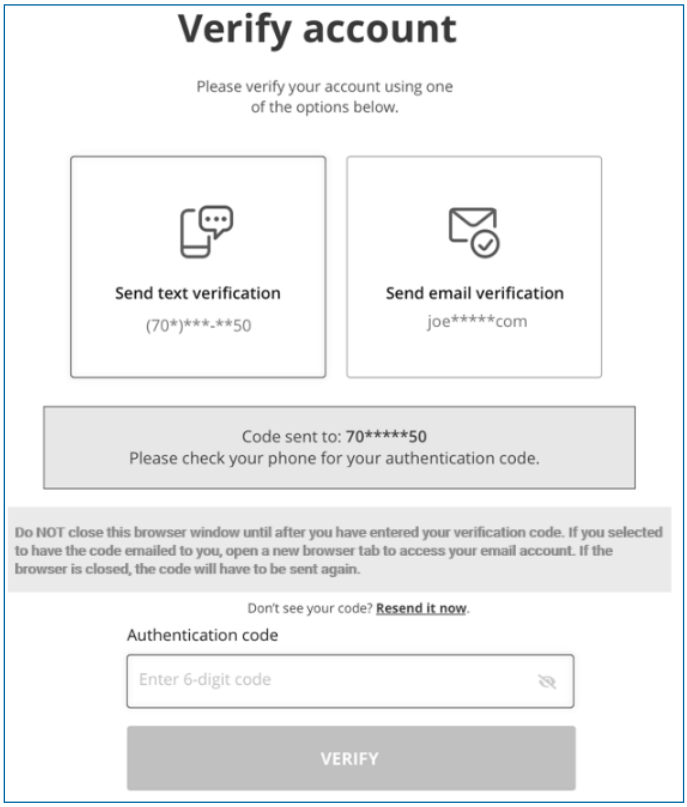
If your account was set up with only an email address, the cell phone option will not appear. See your Local Coordinator to change the email address or cell phone number associated with your account.

You will need to perform this process periodically based on systems requirements.

See TaxSlayer User Guide for updated login procedures

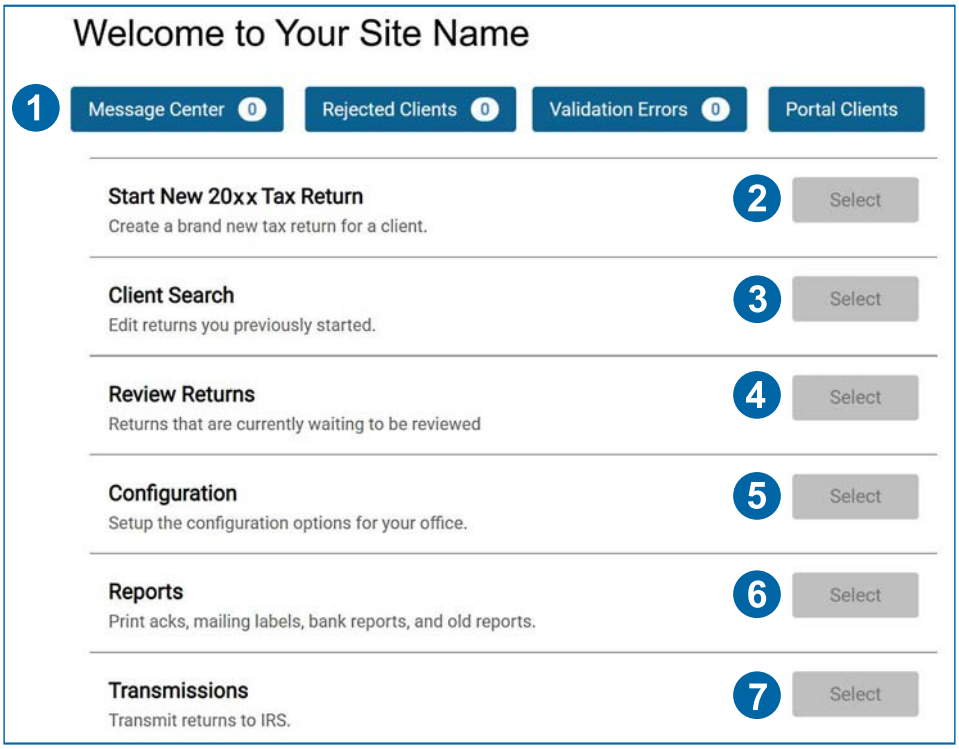
After two unsuccessful login attempts, you will be required to select **I'm not a robot**.





Pro Online Homepage

The Welcome Menu is the “Main Menu” of the program. It is the first screen the program takes you to every time you log into your office account. From the Main Menu, you will find Menu Options that contain functions pertaining to the program. Each part of the program can be accessed by clicking on the gray Select button. This screen shot will be different based on your permissions level (most volunteers will not see all of these options).



1. Open the Message Center bar (under Welcome) to review any messages that were sent to you. Delete those no longer needed.
2. Select to start a new return.

   After selecting Start New 20XX Tax Return, you can select a client profile. Each profile will send you to appropriate data input screens for that kind of taxpayer, e.g., working family with kids, retired with investments, retired without investments. Recommend using Basic (No Profile), which provides access to the entire navigation suite.
3. Select to open an existing return.
4. This option displays the Review Returns page, listing all returns that tax preparers have marked for review. The Quality Reviewer can select returns to review, and then mark the return as Approved or Rejected. This option will appear for volunteers with the appropriate permissions.
5. Configuration: Used by site administrators to manage site options and preparers.

   NTSC **T03 Setup Guide for TaxSlayer Pro Online (TSO)** provides detailed instructions on setting up the various components of the TaxSlayer Software.
6. Reports: Used by site administrators to view pre-configured reports.
7. Quick method of transmitting returns to the IRS through search based on name or SSN. Returns must be marked “Complete” to be transmitted. This option will appear for volunteers with the appropriate permissions.

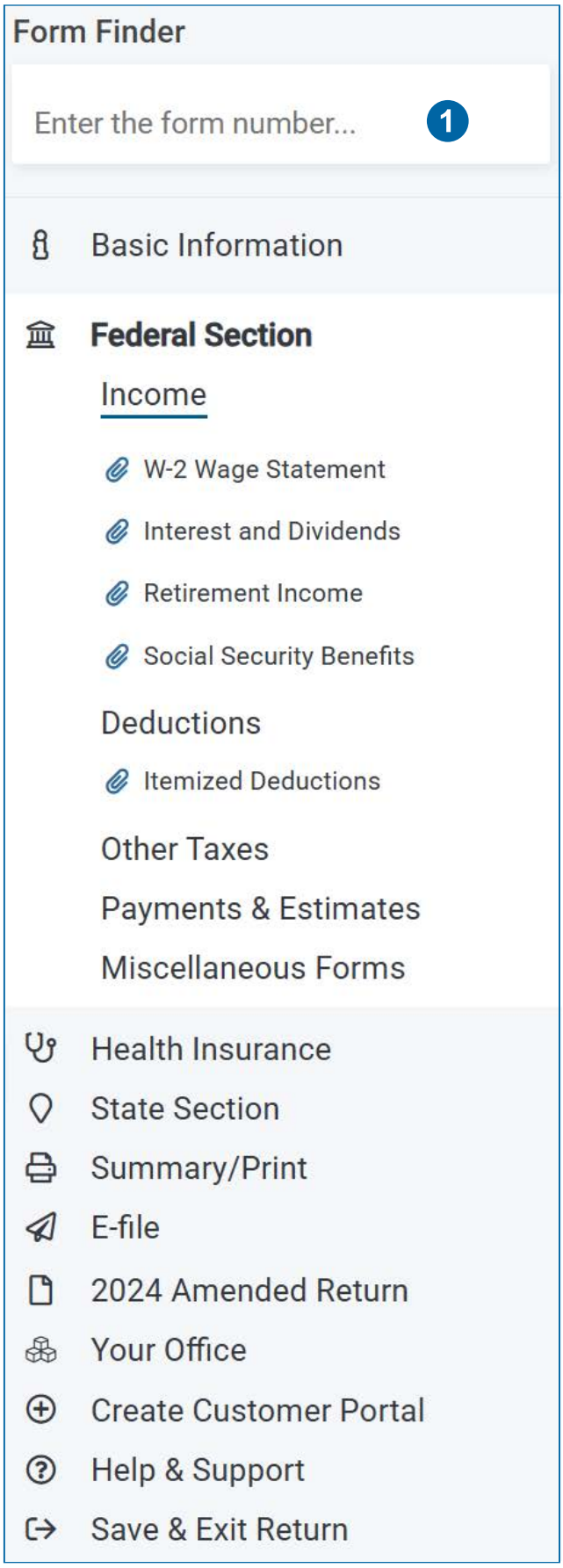
   NTSC **T04 TaxSlayer Software - Transmitting Returns, Handling Rejected Returns, and Reconciling Returns** explains the tools and best practices for ensuring a return is filed properly.

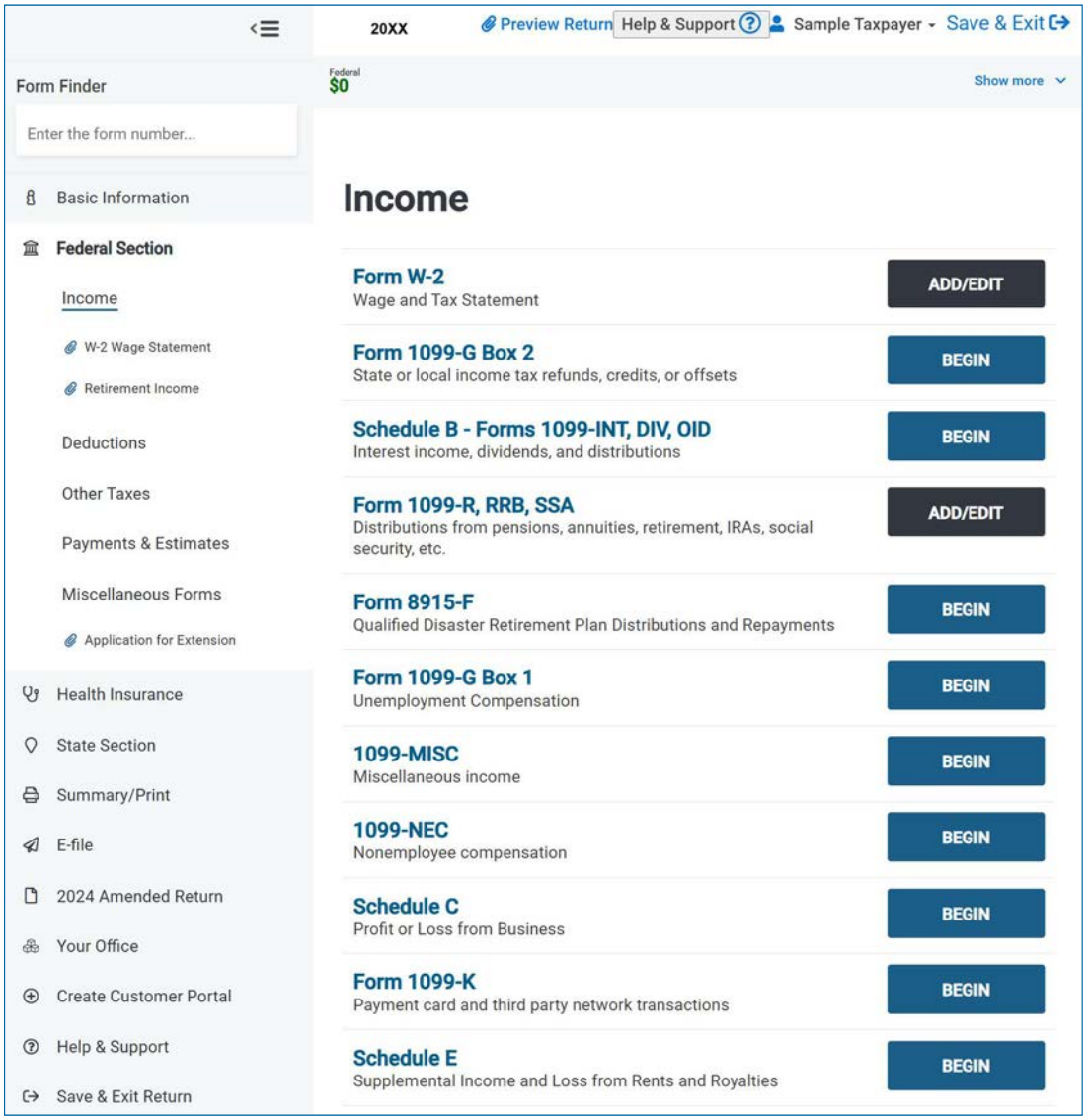
Pro Online Homepage (cont'd)

1. You can search by form number or keyword in the Form Finder. See the table starting on page O-10 for a list of recommended keywords.

The list below has helpful hints on how to navigate within TaxSlayer software easier.

- Form Finder: Open forms to TaxSlayer entry screens by entering the form number or keyword in the form search box.
- Use the navigation menu to jump directly to a section of the tax return. Forms already entered will show on this menu.
- 1040 View: From the Summary/Print page, click on any blue line item to go to that entry screen.
- Make Internal Note: To make a note that will not be transmitted to the IRS but will carryforward from year to year (until manually deleted), select the pull-down arrow to the right of the taxpayer's name in top right corner and select **Notes**. Then give the note a name and enter details. This note will also be accessible from the Client List.
- Viewing individual schedules and forms: If a print icon appears beside the form name in any menu click on it to create a PDF of just that form or schedule. In addition, there is a print icon for the state return if you want to preview it.
- For attachments, see pages K-14 and D-38.
- To Deactivate a return, from the Client List, click the **Tools** dropdown list and select **Deactivate**. For the Deactivate option to appear, the volunteer's role must include this permission and the return must have an In Progress or Review Failed status.
- From the Client List, click the **Tools** dropdown list and select **Client Status** to view any rejected or accepted returns and/or select a Print of a return that was e-filed.





Federal Section>Income

Income

This section is used to enter the various types of income that should be reported on the tax return. Select **Begin** to enter an item of income or select **Edit** to update an item of income. See Tab D, Income, for more directions on entering specific types of income.

Federal Section>Deductions

Deductions

This section is used to enter the various types of deductions, adjustments, and credits that should be reported on the tax return. Select **Begin** to enter a deduction or select **Edit** to update a deduction. See Tab E, Adjustments; Tab F, Deductions; Tab G, Nonrefundable Credits; Tab H, Other Taxes, Payments and Refundable Credits; Tab I, Earned Income Credit; and Tab J, Education Benefits, for additional information and specific instructions on these topics.

Federal Section>Other Taxes

Other Taxes

This section is used to enter any other tax types for which the taxpayer may be liable. Select the **Begin** button next to any other tax item to enter in data applicable to the taxpayer. See Tab H, Other Taxes, Payments and Refundable Credits, for additional information and specific instructions.

Federal Section>Payments and Estimates

Payments & Estimates

This section is used to enter such items as payments, apply overpayments to next year's return and to print vouchers for next year's estimated payments. Select the **Begin** button next to any payment or estimate item to enter in data applicable to the taxpayer. See Tab H, Other Taxes, Payments and Refundable Credits, for additional information and specific instructions.

Federal Section>Miscellaneous Forms

Miscellaneous Forms

This section of the Federal Section is used to enter the following:

- Injured Spouse Allocation (Form 8379), see page M-12
- Statement of Person Claiming Refund Due a Deceased Taxpayer (Form 1310), see page K-20
- Application for Automatic Extension of Time to File (Form 4868), see page M-13
- Married Filing Separately Allocation (Form 8958), In scope only if training provided and not prohibited by State Coordinator
- IRS Identification PIN (IP PIN), see page P-5
- Installment Agreement Request (Form 9465), see page K-26
- Application for ITIN (Form W-7), see page L-10
- Power of Attorney and Declaration of Representation, see page K-18 (Form 2848 is in scope, but volunteers may not complete Form 2848 on behalf of taxpayers)
- Explanations (Preparer Notes) are transmitted in the e-file to the IRS, unlike Internal Notes discussed on page O-6
- MFJ vs MFS Comparison, see page B-18

After preparing or reviewing a form, **Continue** must be selected in order to save information on that form. Other forms may be added from the navigation column or the Form Finder box on the left-hand side. It is not necessary to navigate back into the Income or Deductions pages. However, in the state return, click **Continue** on each state page until the Exit [state name] Return prompt is reached (if **Continue** is not an option, select **Back**).

State Section

State Section

Since the IRS cannot train volunteers to prepare state and local tax returns, partners are responsible for scheduling appropriate state and local tax training for volunteers wherever this service will be voluntarily offered.

The State of Residency will auto-fill when the Zip Code is entered in the Basic Information section. The State of Residency can be changed manually in the Basic Information section after the state has auto-filled. If you don't have a state return, you can select **Continue** or use any of the navigation options on the left side of your screen.

The following states don't have a general state income tax return: Alaska, Florida, Nevada, New Hampshire, South Dakota, Tennessee, Texas, Washington, and Wyoming. However, New Hampshire levies a tax on interest and dividend income.

For Military certification, refer to the note on page B-24 regarding the Military Spouses Residency Relief Act (MSRRA).

Additional states can be added to the return file at the Add Another State Return link in the State Return home page. Choose a state from the pick list or by selecting the state on the United States map and select **Continue**. Select the taxpayer's state residency type. The residency types for most states are resident, part year resident and nonresident. Select **Continue**. You can prepare up to 3 states for a taxpayer.

To delete a state return, select **State Section** from the left side of your screen. Select the delete icon next to the state that you would like to delete. TaxSlayer will also delete the state return if you change the filing status or the state residency.

Summary/Print Page

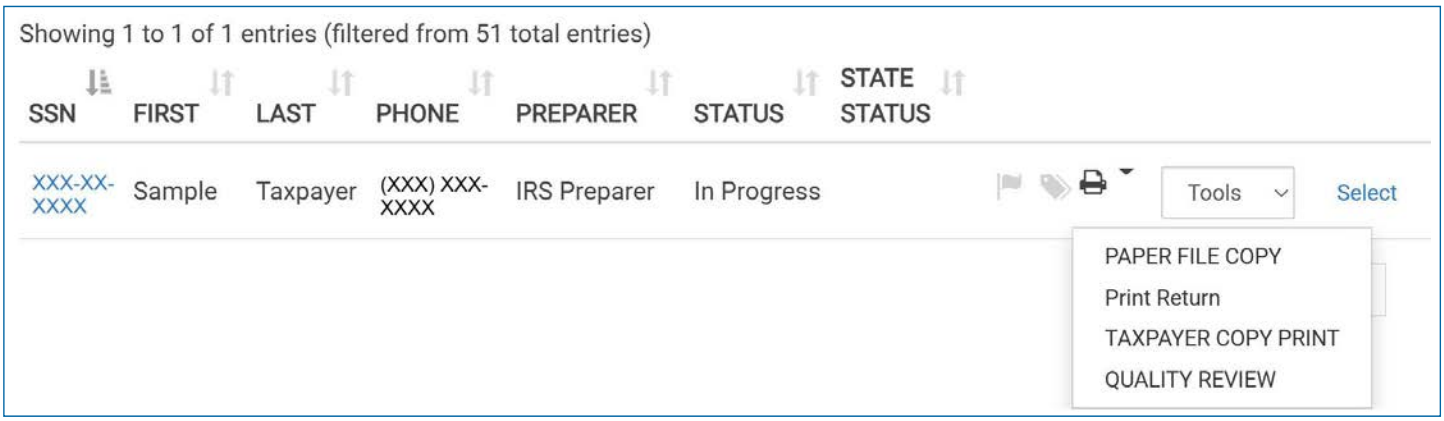
The Calculation Summary screen is an overview of each section of the tax return. Select the show details link located next to each item to view a breakdown of what items are included in the tax return. You can view and/or edit each item of income, adjustments, tax, payments, etc., by selecting the link from the expanded list. You can toggle between the Summary View or the 1040 View, which allows you to link from most of the line items on the Form 1040. The Prior Year Comparison utility compares the current year against the prior two years (preparers can manually enter prior year values if prior year data is not available).

Select **View/Print Return** to create a PDF of the return that can be printed or reviewed. This view/print option will be the TaxSlayer default print set, not your site's default print set. Your site's print sets and other print options available from the Client search screen are shown in the sample below.

Quality Review

When performing a quality review, you can access the quality review print set by navigating to the Office Client List, click the arrows next to the printer icon and select **QUALITY REVIEW**. These are the default print sets, but your site may have defined custom print sets for your use.

See the NTTC **Gold Standards for Quality Review** and **Publication 5838**, VITA/TCE Intake/Interview and Quality Review Handbook, for complete quality review instructions.



Where to Find in TaxSlayer, Form 1040, and 4012 Resource Guide

Form or Topic	Keyword	Navigation to Data Entry Screen	1040	4012
$0 AGI return	**INT**	Income>Schedule B-Forms 1099-INT, DIV, OID>Interest or Dividend Income >Interest Income. Add $1 of interest income with the Payer entered as "TO E-FILE."	2b Sch B	A-6 D-18
982 Reduction of Tax Attributes	**982 CANC**	Income>Other Income>1099-C, 982>Cancellation of Debt - (Form 982)	8(S1-8c)	D-86 D-89
1040-ES Estimated Tax Payments (Vouchers)		See Vouchers for Federal Estimated Pay 2026		
1040-X Amended Return		See Amended Return		
1095-A Health Insurance	**8962**	Access the Health Insurance section from the navigation menu on the left side of the screen>Follow screens to Advanced Premium Tax Credit	17(S2-1a) 31(S3-9)	H-12
1098 Mortgage Interest Statement		See Mortgage Interest and Points Paid		
1098-E Student Loan Interest		See Student Loan Interest		
1098-T Tuition Statement		See Education Credits See Scholarships and Grants when taxable		
1099-A Acquisition or Abandonment	**-B CAP**	Income>Schedule D/Form 8949>Sale of Main Home Worksheet or use Stocks, Mutual Funds, Cryptocurrency, Collectibles, etc.	8(S1-8c)	D-86 D-91
1099-B Proceeds from Broker and Barter Exchange		See Capital Gains		
1099-C Cancellation of Debt		See Cancellation of Debt		
1099-DIV Dividends		See Dividend Income		
1099-G Unemployment Compensation		See Unemployment Benefits		
1099-G State Tax Refund		See State and Local Tax Refund Worksheet		
1099-INT Interest Income (all types)		See Interest Income on 1099-INT or not on a form		
1099-K Payment Card and Third Party…	**-K SC or BUS**	Income>Schedule C	8(S1-3)	D-28 D-25
1099-LTC		See Long-Term Care Benefits		
1099-MISC Miscellaneous Income	**MISC**	Income>1099-MISC	8(S1)	D-79 D-80
1099-NEC	**NEC**	Income>1099-NEC	8(S1-3)	D-26
1099-OID Original Issue Discount	**OID**	Income>Schedule B-Forms 1099-INT, DIV, OID>Interest or Dividend Income >Original Issue Discount (Form 1099-OID)	2	D-18
1099-Q Payments from Education Programs	**N/A**	If not taxable, do not enter; if taxable, then out of scope. Also known as Qualified Tuition Program (QTP) or 529 plan	8(S1-8)	D-77 J-6
1099-QA Distributions from ABLE Accounts	**N/A**	If not taxable, do not enter; if taxable, then out of scope	8(S1-8)	D-77
1099-R Pension & IRA Distributions		See Pension Distributions See IRA Distributions		
1099-S Proceeds from Real Estate Transaction	**-S**	Income>Schedule D/Form 8949>Stocks, Mutual Funds, Cryptocurrency, Collectibles, etc.	7	D-46
1099-SA HSA		See Health Savings Accounts		

Where to Find in TaxSlayer, Form 1040, and 4012 Resource Guide

Form or Topic	Keyword	Navigation to Data Entry Screen	1040	4012
1310 Statement of Person Claiming Refund Due a Deceased Taxpayer	**1310**	Miscellaneous Forms>Statement of Person Claiming Refund Due a Deceased Taxpayer Claimed on Form 1310	N/A	K-20
2120 Multiple Support Declaration		Basic Information>Dependents/Qualifying Person>Dependents/Qualifying Person>Add a Dependent or Qualifying Child or edit a person who's already entered and check the box "This dependent qualifies for a Multiple Support Declaration" and follow the prompts on the next screen		C-6
4852 Substitute for Form 1099-R	**-R**	Income>Form 1099-R, RRB, SSA>Add or Edit a 1099-R>Then select: This is a substitute 1099-R	5	D-53
4852 Substitute for W-2	**W**	Income>Form W-2>Add a W-2 Wage Statement. Then select: This is a substitute W-2	1	D-8
5329 Additional Taxes on Qualified Plans and Other Tax-Favored Accounts	**5329**	Other Taxes>Tax on Early Distribution	23(S2-8)	H-6
5498 IRA Contribution Info		See IRA Contribution (deductible to Traditional IRA)		
5498-QA ABLE Account	**SAVE**	Deductions>Credits Menu>Retirement Savings Credit Form 8880	20 (S3-4)	G-20
5498-SA HSA		See Health Savings Accounts		
8453	**N/A**	Tax-Aide Best Practice is not to attach Form 8453 or related forms/statements. Inform taxpayer that the IRS may ask them to provide this additional documentation.	N/A	K-14
8606	**8606 -R**	Deductions>Adjustments>Nondeductible IRAs	4b	D-56 E-4
8615		See Kiddie Tax		
8814	**8814**	Other Taxes>Tax For Certain Children Who Have Unearned Income (only in scope for Alaska residents receiving permanent fund dividends)	8(S1-8g) and 16	H-5
Alaska Permanent Fund Dividends	**ELSE**	Income>Other Income>Other Income Not Reported Elsewhere>Alaska Permanent Fund Dividend	8(S1-8g)	D-77 H-5
Alimony Paid	**ALIM**	Deductions>Adjustments>Alimony Paid	10 (S1-19)	E-4 E-14
Alimony Received	**ALIM**	Income>Alimony Received	8(S1-2)	D-7 E-14
Amended Return		Select 20XX Amended Return Section from side menu	N/A	M-3
American Opportunity Credit (AOC)		See Education Credits		
Annuity-Pension Calculator, Simplified Method		See Simplified Method		
Apply Federal Refund to Next Year	**APPL**	Payments & Estimates>Apply Overpayment to Next Year's Taxes	36	H-11 K-4 K-29
Apply State Refund to Next Year		State Section>Choose Edit>Payments>Amount of state refund that you would like to apply to your 2026 tax return	N/A	K-4 H-11
Attach a PDF to the Return	**CAP**	Income>Schedule D/Form 8949>PDF Attachments See also 8453.	N/A	D-38

Where to Find in TaxSlayer, Form 1040, and 4012 Resource Guide

Form or Topic	Keyword	Navigation to Data Entry Screen	1040	4012
Back Taxes Paid to State		See State and Local Taxes Paid (not on a form)		
Basis in Traditional IRA		See 8606		
Broker Statements	**BROK**	See appropriate 1099	varies	D-38 D-40
Business Income and Expenses		See Self-Employment Income and Expenses		
Cancellation of Debt	**-C** **CANC**	Income>Other Income>1099-C, 982>Cancellation of Debt - (Form 1099-C)	8(S1-8c)	D-83 D-86
Capital Gains	**-B** **CAP**	Income>Schedule D/Form 8949>Stocks, Mutual Funds, Cryptocurrency, Collectibles, etc. or 1099-B Transactions with No Adjustments	7	D-38 D-40
Capital Gain Distributions	**DIV**	Income>Schedule B-Forms 1099-INT, DIV, OID>Interest or Dividend Income >Dividend Income>Capital Gain to Schedule D (Box 2a)	7	D-22
Capital Loss Carryover	**CAP**	Income>Schedule D/Form 8949>Capital Loss Carryover	7	D-39
Charitable Contributions	**CHARI**	Deductions>Itemized Deductions>Gifts to Charity	12 (Sch A)	F-16
Charitable Distribution from IRA (QCD)		See IRA Qualified Charitable Distribution		
Charitable Gift Annuity	**-R**	Income>Form 1099-R, RRB, SSA>Add or Edit 1099-R AND Income>Schedule D/Form 8949>Stocks, Mutual Funds, Cryptocurrency, Collectibles, etc.	4 7	D-64
Child and Dependent Care Expenses	**2441**	Deductions>Credits>Child and Dependent Care Credit	20(S3-2)	G-12
Child Tax Credit		Basic Information>Dependents / Qualifying Person	19, 28	G-4
Conversion of Traditional IRA to Roth IRA	**8606** **-R**	Income>Form 1099-R, RRB, SSA>Add or Edit a 1099-R AND Deductions>Adjustments>Nondeductible IRAs	4b	D-56
Credit for Other Dependents		Basic Information>Dependents / Qualifying Person	19	G-7
Credit for the Elderly or Disabled	**ELD**	Deduction>Credits>Credit for the Elderly or the Disabled	20(S3-6d)	G-22
CSA 1099-R Civil Service Annuity Paid	**-R**	Income>Form 1099-R, RRB, SSA>Add or Edit a 1099-R	5	D-54
CSF 1099-R Statement of Survivor Annuity Paid	**-R**	Income>Form 1099-R, RRB, SSA>Add or Edit a 1099-R	5	D-54
Deactivate Return		Client List>Tools>Deactivate (May need additional TaxSlayer privileges)		O-6
Deceased Taxpayer	**PER** **and 1310**	Basic Information>Personal Information>Check box for Taxpayer is deceased. AND Miscellaneous Forms> Statement of Person Claiming Refund Due a Deceased Taxpayer Claimed on Form 1310	N/A	B-21 K-20
Direct Deposit/Direct Debit		E-file section from side menu>Select "Direct Deposit" or "Direct Debit	35 or 37	K-23 K-4 K-9
Dividend Income	**DIV**	Income>Schedule B-Forms 1099-INT, DIV, OID>Interest or Dividend Income >Dividend Income, Form 1099-DIV	3 Sch B	D-22
Donations to Charity		See Charitable Contributions		

Where to Find in TaxSlayer, Form 1040, and 4012 Resource Guide

Form or Topic	Keyword	Navigation to Data Entry Screen	1040	4012
Early IRA Distribution	**5329**	Other Taxes>Tax on Early Distribution	23(S2-8)	H-6 D-63
Early Withdrawal Penalty not on a 1099	**EARL**	Deductions>Adjustments>Penalty on Early Withdrawal of Savings or Certificate of Deposit (CD)	10 (S1-18)	D-19 E-4
Earned Income Credit for MFS	**PER**	Basic Info>Personal Info -- If MFS and eligible, check the box for Filing Married Filing Separate and meets the requirements to claim the EIC	27	I-4
Education Credits and Expenses	**1098 TUI**	Deductions >Credits>Education Credits	20(S3-3) 29	J-3 J-5
Educator Expenses	**EDUCA**	Deductions>Adjustments>Educator Expenses	10 (S1-11)	E-8
Elderly or Disabled Credit		See Credit for the Elderly or Disabled		
Energy Credits	**ENER**	Deductions>Credits>Residential Energy Credits	20(S3-5)	G-26
Estimated Payments made in 2025	**FED ESTIM**	Payments & Estimates>Federal Estimated Payments or >State Estimated Payments	26	H-11
Estimated Payment Vouchers Federal 2026		See Vouchers for Federal Estimated Pay 2026		
Estimated Payment Vouchers State 2026		See Vouchers for State Estimated Pay 2026		
Exempt Interest or Exempt Interest Dividends		See Tax Exempt Interest and Exempt Interest Dividends		
Extension, Filing for	**EXTE 4868**	Miscellaneous Forms>Application for Automatic Extension of Time to File	31 (S3-10)	M-13
Foreign Tax Credit	**DIV INT 1116**	Deductions>Credits>Foreign Tax Credits OR Income>Schedule B-Forms 1099-INT, DIV, OID>Interest or Dividend Income >Form 1099-DIV Box 7 or 1099-INT Box 6	20(S3-1)	G-8 D-23 D-19
Foster Care Payments				I-3 C-10
Gambling Losses	**2G MISC**	Income >Other Income>Gambling Winnings - Form W-2G or Deductions>Itemized Deductions>Other Itemized Deductions>Gambling losses	12(Sch A)	D-77 F-17
Gambling Winnings	**2G**	Income >Other Income>W-2G Gambling Winnings	8(S1-8b)	D-77
Gambling Winnings not on W-2G	**OTHER C**	Income >Other Income>Other Compensation>Other Gambling Income not reported on W-2G	8(S1-8b)	D-82
Grants & Scholarships (taxable)		See Scholarships and Grants when taxable		
Health Savings Accounts	**HSA**	Deductions>Adjustments>Health Savings Accounts HSAs	10 (S1-13)	E-10 E-12
Household Employee Income (no W-2)	**OTHER C**	Income>Other Income>Other Compensation>Household Employee Income	1	D-82

Form or Topic	Keyword	Navigation to Data Entry Screen	1040	4012
Identity Protection PIN	**PIN**	Basic Info>IRS Identity Protection PIN or Miscellaneous Forms>IRS Identification Pin	Signature block	P-5
Injured Spouse	**INJ**	Miscellaneous Forms>Injured Spouse Allocation	N/A	M-12 P-10
Inmate Income		See Prisoner Income (or halfway house)		
Interest Income on 1099-INT or not on a form	**INT**	Income>Schedule B-Forms 1099-INT, DIV, OID>Interest or Dividend Income >Interest Income	2 Sch B	D-18
Investment Management Fees		See Job Expenses and Certain Miscellaneous Deductions		
IRA Contributions (deductible to Traditional IRA)	**IRA D**	Deductions>Adjustments>Traditional IRA Contributions	10 (S1-20)	E-15 G-17
IRA Contributions (non-deductible to ROTH IRA)	**SAVE**	Deductions>Credits>Credit for Qualified Retirement Savings Contributions>	20 (S3-4)	E-16 G-20
IRA Contributions (non-deductible to Traditional IRA)	**8606 and SAVE**	Deductions>Adjustments>Nondeductible IRAs, **and also** Deductions>Credits>Credit for Qualified Retirement Savings Contributions>Enter Any Current (Do not re-enter Traditional IRA contributions already reported …	20 (S3-4)	E-16 G-20
IRA Distributions	**-R**	Income>Form 1099-R, RRB, SSA>Add or Edit 1099-R	4a, 4b	D-52
IRA Qualified Charitable Distribution (QCD, Not a Charitable Gift Annuity)	**-R**	Income>Form 1099-R, RRB, SSA>Add or Edit 1099-R> AND after clicking Continue, go to Nontaxable Distributions and check the "Check here to mark this as a Qualified Charitable Distribution"	4b	D-65 D-57 D-53
IRA Rollover	**-R**	Income>Form 1099-R, RRB, SSA>Add or Edit a 1099-R	4b	D-61
ITIN, Application for	**ITIN**	Miscellaneous Forms>Application for ITIN Applied on Form W-7	N/A	L-10
Job Expenses and Certain Miscellaneous Deductions	**OTHER**	Deductions>Itemized Deductions>Unreimbursed Employee Business Expenses, **and also** Deductions>Itemized Deductions>Other Itemized Deductions Includes employee uniforms, travel, union dues, etc., plus tax prep fees, investment fees, safe deposit boxes, etc.	N/A	F-17
Jury Duty Pay	**ELSE**	Income>Other Income>Other Income Not Reported Elsewhere. Select Jury duty pay in drop-down list.	8(S1-8h)	D-77
Jury Duty Pay Returned to Employer	**ADJ**	Deductions>Adjustments>Other Adjustments>Jury Duty Pay	10 (S1-24a)	E-4
K-1 Forms	**K1**	Income>Other Income>K-1 Earnings	Varies	D-71
K-1 Royalty income	**K1**	Income>Other Income>K-1 Earnings	8(S1-5)	D-75
Kiddie Tax	**8615**	Other Taxes>Tax For Certain Children Who Have Unearned Income (only in scope for Native Americans receiving per capita payments and Alaska residents receiving permanent fund dividends)	16	A-5 H-5
Lifetime Learning Credit (LLC)		See Education Credits		
Long-term Care Benefits	**8853 LTC**	Deductions>Adjustments> MA MSAs, Archer MSAs and Long-Term Care Insurance Contracts. On the entry page, scroll to Long Term Care Insurance Contracts (Form 1099-LTC)	N/A	D-78
Lump-Sum Social Security Benefit	**SSA**	Income>Form 1099-R, RRB, SSA1099s>Social Security Benefits/RRB-1099>Begin Worksheet	6	D-69

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Form or Topic	Keyword	Navigation to Data Entry Screen	1040	4012
Management Fees (Investment)		See Investment Management Fees		
Medicaid Waiver Payments		See page D-12	1a or 1d 8(S1-8s)	D-12
Medical, Dental, and Vision Expenses	**MED**	Deductions>Itemized Deductions> Medical, Dental, and Vision Expenses	12(Sch A)	F-7
Mileage for Charitable Travel	**CHARI**	Deductions>Itemized Deductions>Gifts to Charity>Non-Cash Gifts to Charity	12(Sch A)	F-16
Mileage for Medical Travel	**MED**	Deductions>Itemized Deductions> Medical, Dental, and Vision Expenses	12 (Sch A)	F-9
Mortgage Interest and Points Paid	**MORT**	Deductions>Itemized Deductions>Mortgage Interest and Expenses>Mortgage Interest Reported on Form 1098	12 (Sch A)	F-14
Mortgage Interest Paid—not on Form 1098	**MORT**	Deductions>Itemized Deductions>Mortgage Interest and Expenses>Mortgage Interest Not Reported on Form 1098	12 (Sch A)	F-14
Native American Per Capita Payments	**ELSE**	Income>Other Income>Other Income Not Reported Elsewhere>Other Income See also Kiddie Tax	8(S1-8)	D-77 H-5
Noncash Donations if total more than $500	**CHARI**	Deductions>Itemized Deductions>Gifts to Charity>Non-Cash Donations (more than $500)	12 (Sch A)	F-16
Noncash Donations that total $500 or less	**CHARI**	Deductions>Itemized Deductions>Gifts to Charity>Non-Cash Gifts to Charity	12 (Sch A)	F-16
Notary Income	**SC or BUS and SELF**	Income>Schedule C and also Other Taxes>Self-Employment Tax>On the entry page, "Enter exempt notary income"	8(S1-3)	D-25 H-4
OID Interest (Original Issue Discount Interest)		See 1099-OID Original Issue Discount		
Other Income (prizes, jury duty, etc.)	**ELSE**	Income>Other Income>Other Income Not Reported Elsewhere	8(S1-8)	D-77
PDF, Attaching		See Attach a PDF to the Return		
Pension Distributions	**-R**	Income>Form 1099-R, RRB, SSA>Add or Edit 1099-R	5	D-53
Personal Property Tax	**PERS**	Deductions>Itemized Deductions>Taxes You Paid	12(Sch A)	F-10
PIN, Identity Protection		See Identity Protection PIN		
Power of Attorney POA	**N/A**	Tax-Aide volunteers LOOK at the POA to make sure it is good for taxes - but do not enter it into TSO	N/A	K-18
Prior Year Comparison		Summary/Print page (beside View/Print Return) for returning taxpayers	N/A	O-9
Prisoner Income (or halfway house)	**OTHER C**	If not on a W-2: Income>Other Income>Other Income Not Reported Elsewhere If on a W-2: enter on W-2 AND also Income>Other Income>Other Compensation> Prisoner Earned Income (to make ineligible for Earned Income Credit)	1 (S1-8u)	D-77 D-82
Private Activity Bond interest (PAB)	**INT DIV**	Income>Schedule B-Forms 1099-INT, DIV, OID>Interest and Dividends>	17(S2-1)	D-20
Prizes (Gambling)	**OTHER C**	Other Income>Other Compensation>Other Gambling Income not reported on W-2G	8 (S1-8b)	D-77 D-80
Prizes and Awards (Non-Gambling)	**ELSE**	Income>Other Income>Other Income Not Reported Elsewhere (select Prizes and Awards)	8 (S1-8i)	D-77 D-80
Public Safety Officer Exclusion	**-R**	Income>Form 1099-R, RRB, SSA>Add or Edit 1099-R On the entry page: "Click here for options"(below Box 2a)	5b	D-57
Qualified Charitable Distribution from IRA		See IRA Qualified Charitable Distribution		

Form or Topic	Keyword	Navigation to Data Entry Screen	1040	4012
Railroad Retirement Benefits (blue form) RRB-1099		See Social Security Benefits		
Railroad Retirement Benefits (green form) RRB-1099R	**RRB**	Income>Form 1099-R, RRB, SSA>RRB-1099-R	5	D-67
Real Estate Taxes	**MORT TAXES**	Deductions>Itemized Deductions>Taxes You Paid>	12(Sch A)	F-10
Refund from Prior Year, Applied to Estimated Payments for Current Tax Year (Fed or State)		See Estimated Payments made in 2025		
Refund, Apply to Next Year (Federal)		See Apply Federal Refund to Next Year		
Refund, Apply to Next Year (State)		See Apply State Refund to Next Year		
Refunds of State and Local Income Tax		See State and Local Tax Refund Worksheet		
Rental Income from vacant land w/o expenses	**SC RENT**	Income>Schedule E	8(S1-5)	D-75
Rental Income	**SC RENT**	Income>Schedule E OOS except for active duty military (military certification required)	8(S1-5)	D-75
Repayment of un-employment received in same tax year	**-G UNEM**	Income>Form 1099-G Box 1 Unemployment>Repayment	8(S1-7)	D-6
Repayment of Previously Taxed Income (from prior year)	**N/A**	If >3000, out of scope. If ≤3000, there is no longer a credit or deduction.		F-17
Reservist's Expenses	**RESER**	Deductions>Adjustments>Armed Forces reservists, qualified performing artists, certain fee-basis government officials, or those with impairment-related work expenses	10 (S1-12)	E-3 E-5
Residential Energy Credit		See Energy Credits		
Retirement Savings Contributions Credit	**8880 SAVE**	Deductions>Credits>Credit for Qualified Retirement Savings Contributions	20(S3-4)	G-17 G-21 D-53
Reverse Mortgages	**N/A**	Advances from a reverse mortgage are neither taxable nor reportable. Interest is typically not deductible due to the limitation on home equity debt	N/A	F-14
Roth IRA Contributions		See IRA Contributions (non-deductible to ROTH IRA)		
Royalties (simple royalties with no associated expenses)	**SC ROY**	Income>Schedule E or Income>1099-MISC Box 2 linked to a Schedule E	8(S1-5)	D-80
Royalties from Services (e.g., artist)	**BUS NEC**	Income>Schedule C>Income>Gross Receipts or Income>1099-NEC linked to a Schedule C	8(S1-3)	D-80
RRB-1099 Railroad Retirement (blue)		See Social Security Benefits		
RRB-1099-R Railroad Retirement (green)		See Railroad Retirement Benefits (green form) RRB-1099R		

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Form or Topic	Keyword	Navigation to Data Entry Screen	1040	4012
Sale of Main Home		See 1099-S		
Sale of Stock		See Capital Gains		
Sales Tax Deduction	**TAXES**	Deductions>Itemized Deductions>Taxes You Paid	12(Sch A)	F-12
Saver's Credit		See Retirement Savings Contributions Credit		
Schedule C		See Self-employment Income		
Schedule D		See Capital Gains		
Scholarships and Grants when taxable	**OTHER C**	Income>Other Income>Other Compensation>Scholarships and Grants (Not Reported on W-2)	8(S1-8r)	D-82 J-3
Self-employed Health Insurance (SEHI) Deduction	**SC** **BUS**	Income>Schedule C>(On the entry page, go to General Expenses>Health Insurance or Long-Term Care Insurance.)	10 (S1-17)	D-34 D-32
Self-employment Income and expenses	**SC or BUS** **NEC**	Income>Schedule C> or after completing 1099-NEC, transfer to Schedule C - Business Income	8(S1-3)	D-25 D-30 D-32
Seller-financed Mortgage Interest Deduction	**MORT**	Deductions>Itemized Deductions>Mortgage Interest and Expenses>Mortgage Interest Not Reported on Form 1098	12 (Sch A)	F-14
Seller-financed Mortgage Interest Income	**INT**	Income>Schedule B-Forms 1099-INT, DIV, OID>Interest or Dividend Income >Seller Financed Interest Income	2	D-21
Simplified Method	**-R**	Income>Form 1099-R, RRB, SSA>Add or Edit a 1099-R>Click here for options (below box 2)	5b	D-59
Simplified Method after Death of All Beneficiaries	**MISC**	Deductions>>Itemized Deductions>Other Itemized Deductions>Unrecovered investment in pension	12 (Sch A)	F-17
Social Security Benefits or SSA-1099	**SSA**	Income>Form 1099-R, RRB, SSA>Social Security Benefits/ RRB-1099	6	D-68
State and Local Tax Refund Worksheet	**-G**	Income>Form 1099-G Box 2 State or local income tax refunds, credits, or offsets	8(S1-1)	D-6 D-24
State and Local Taxes Paid (not on a form)	**TAXES**	Deductions>Itemized Deductions>Taxes You Paid >Additional State and Local Income Tax	12(Sch A)	F-5 F-10
State refund applied to 2025 from 2024		See Estimated Payments made in 2025		
State refund applied to 2026		See Apply State Refund to Next Year		
State withholding not on another form		See Withholding for federal or state tax with no TS entry place on the form entry page		
Stock Sales		See Capital Gains		
Strike Benefits	**OTHER C**	Income>Other Income>Other Compensation>Strike Benefits Received	1h	D-82 D-80
Student Loan Interest	**1098** **STU**	Deductions>Adjustments>Student Loan Interest.	10 (S1-21)	E-17
Substitute W-2	**W**	Income>W-2>This is a substitute W-2	1	D-8

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Form or Topic	Keyword	Navigation to Data Entry Screen	1040	4012
Tax Exempt Interest and Exempt Interest Dividends	**INT DIV**	Income>Schedule B-Forms 1099-INT, DIV, OID>Interest or Dividend Income	2a	D-20 D-23
Taxable Refund Worksheet		See State and Local Tax Refund Worksheet		
Taxes Paid, Federal and State Estimated		See Estimated Payments made in 2025		
Taxes Paid Deduction, State and Local (not on form)		See State and Local Taxes Paid (not on a form)		
Tips, Unreported to Employer	**W**	Income>W-2>Unreported tips	1c 23(S2-5)	D-9
Tips, Unreported (less than $20/mo.)	**W 4137**	Income>Form W-2>Unreported tips AND Other Taxes>Tax on Unreported Tip Income	1c 23(S2-5)	D-9 H-4
Traditional IRA Contributions		See IRA Contributions (deductible to Traditional IRA)		
Travel Expenses for Business	**SC BUS**	Income>Schedule C>(On the entry page, go to General Expenses>Travel or Income>Schedule C>Car and Truck Expenses)	8(S1-3)	D-36
Travel Expenses as an Employee	**N/A**	No longer federally deductible after 12-31-2017	N/A	
Unemployment Benefits	**-G UNEM**	Income>Form 1099-G Box 1	8(S1-7)	D-6
Unemployment Comp Repayment—Same Year as Benefit Received	**-G UNEM**	Income>Form 1099-G Box 1	8(S1-7)	D-6
Unemployment Comp Repayment—Year after Received $3,000 or less	**N/A**	There is no longer a credit or deduction when repayments are $3,000 or less.	N/A	F-17
Unemployment Comp Repayment—Year after Received >$3,000	**N/A**	N/A - Out of Scope	N/A	F-17
Unrecovered Investment in Pension	**MISC**	Deductions>Itemized Deductions>Other Itemized Deductions>Unrecovered investment in pension	12 (Sch A)	F-17
Volunteer Expenses	**CHARI**	Deductions>Itemized Deductions>Gifts to Charity>Cash Gifts to Charity	12(Sch A)	F-16
Vouchers for Federal Estimated Pay 2026	**VOU**	Payments & Estimates>Vouchers for 2026 Estimated Tax Payments	N/A	H-11 K-29
Vouchers for State Estimated Pay 2026		State section>Miscellaneous Forms>Estimated Payment Vouchers	N/A	H-11

Form or Topic	Keyword	Navigation to Data Entry Screen	1040	4012
W-2 Wages & Salaries	**W**	Income>W-2	1	D-8
W-2G Gambling Winnings	**2G**	Income>Other Income>Gambling Winnings - Form W-2G	8(S1-8b)	D-77
W-7 ITIN Application		See ITIN, Application for		
Withholding for federal or state tax with no TS entry place on the form entry page	**WITHH**	Payments & Estimates>Other Federal (or State) Withholdings	25c 12 (Sch A)	H-11
Work Release Income		See Prisoner Income (or halfway house)		
Zero AGI return		See $0 AGI return		

Tab P: Partner Resources

Information for Assisting People with Disabilities

There are many misconceptions about interacting with people with disabilities. **Publication 5192**, Ten Key Points of Communicating with People with Disabilities, covers the 10 core disability etiquette points that volunteers should be aware of when working with this group.

Serving Taxpayers Who Are Deaf or Hard of Hearing

Taxpayers who are deaf or hard of hearing have varying ranges of language skills and abilities. Some can communicate verbally with you, while others cannot. Some can read lips, and some communicate with English Exact Sign which is a method of sign language that mimics the English language precisely as it is spoken. However, most taxpayers who are deaf or hard of hearing communicate with American Sign Language (ASL). **Publication 5231**, Key Points for Communicating with People who are Deaf or Hard of Hearing, provides helpful points of etiquette for volunteers serving this group at the VITA/TCE sites.

Veterans Crisis Line

The **Veterans Crisis Line** (www.veteranscrisisline.net) connects Veterans in crisis and their families and friends with qualified, caring Department of Veterans Affairs responders through a confidential toll-free hotline, online chat, or text. Veterans and their loved ones can call 988 and Press 1, chat online, or send a text message to 838255 to receive confidential support 24 hours a day, 7 days a week, 365 days a year. Support for individuals who are deaf and hard of hearing is available TTY 1-800-799-4889.

IRS Taxpayer Assistance Center – Appointment Service

The IRS requires appointments at Taxpayer Assistance Center (TAC) locations throughout the United States. Taxpayers will call a new toll-free number to make an appointment for face-to-face service. Taxpayers requiring an appointment at a TAC location should call 1-844-545-5640. Callers that get a message "about call volumes being too high and to try again later" are suggested to call back at 7 AM local time (Hawaii and Alaska follow Pacific Time).

The IRS also provides Virtual Tax Services at various locations that do not have a TAC. With this model, taxpayers sit at a designated workstation and are assisted by an IRS employee who appears on screen and is located in a remote office.

IRS Voice and Chat Bots

Voice bots are software powered by artificial intelligence (AI) that allow a caller to navigate an interactive voice response (IVR) system with their voice, generally using natural language. Chat bots simulate human conversation through web-based text interaction, also using AI-powered software to respond to natural language prompts.

The IRS has deployed voice and chat bots in English and Spanish for phone lines that assist taxpayers with tax payments issues or understanding an IRS notice they may have received. The bots are now available to help taxpayers with:

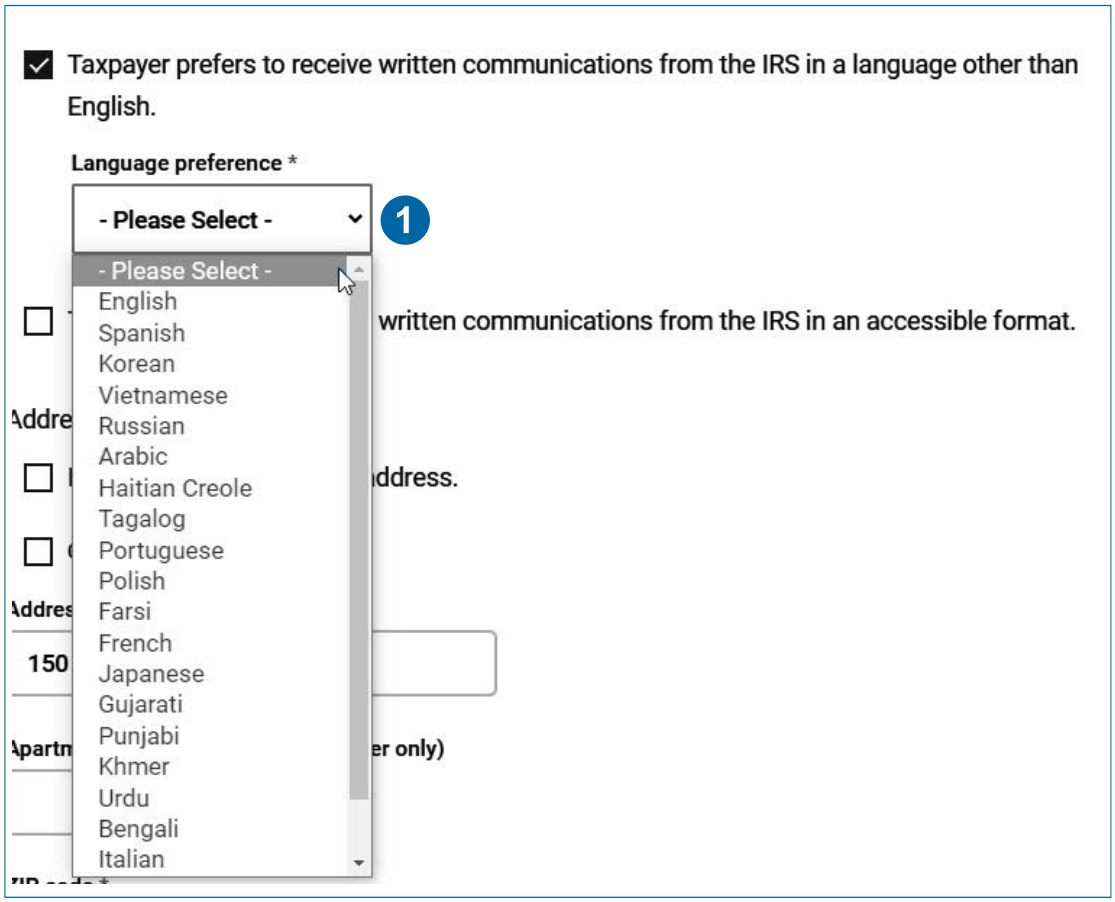
- How to make one-time payments
- Answers to frequently asked questions
- Collection notice clarification

IRS voice bots will also enable taxpayers to authenticate their identity to establish payment plans, request a transcript and obtain information about their accounts, such as payoff details.

Other Languages

IRS is translating tax resources into more languages. Currently, basic tax information is available in twenty languages. Refer to **www.irs.gov/mylanguage**.

Form 13614-C, Intake/Interview and Quality Review Sheet, is available in multiple languages. These can be downloaded at **www.irs.gov/forms-instructions**.



1. Taxpayers may choose to receive written communication from the IRS in a language other than English. Mark the appropriate box in the Basic Information section in TaxSlayer and select the language from the drop-down list.

Identity Protection PIN (IP PIN) Guidance

A six-digit Identity Protection PIN (IP PIN) helps the IRS verify the taxpayer's identity when filing an electronic or paper federal tax return. It protects the taxpayer's account even if they do not have a filing requirement. **Use the most recent IP PIN regardless of the tax year.**

Taxpayers can receive an IP PIN either as a result of tax-related identity theft or by voluntarily opting in:

- **Identity Theft Victims**: From mid-December through early January, the IRS mails Notice CP01A to taxpayers previously identified as victims of identity theft. The notice includes a 6-digit IP PIN to be entered on their tax return and is mailed annually as long as the identity theft indicator remains on their account.

  It's important to be sensitive when assisting victims of identity theft, as they are often navigating a confusing and frustrating situation. These taxpayers have been victimized, often through no fault of their own, and are trying to comply with tax laws, file their return, and pay their fair share of taxes.

- **Voluntary Opt-In**: Taxpayers may choose to proactively opt in to receive an IP PIN as an added layer of protection against tax-related identity theft. For more information, see page P-7.

Use the chart below when assisting taxpayers who are victims or may be victims of identity theft.

If…	Then…
An IP PIN was issued to the taxpayer, spouse, and/or dependents.	Ensure that each taxpayer (primary, secondary, or dependent) who was issued an IP PIN for the current calendar year has it correctly entered on the tax return.
The taxpayer received an IP PIN but didn't bring it, or they misplaced or lost it.	1. Complete the tax return for the taxpayer. 2. Refer to Retrieving Your IP PIN on the next page. 3. Provide the taxpayer with a complete copy of the tax return to keep for their records, and a second paper file copy in case they will need to mail their return. a. If the taxpayer is unable to retrieve their IP PIN online or have it reissued by mail, advise them to follow IRS instructions for mailing the tax return. Inform them that their refund will be delayed while the IRS reviews their paper return to verify their identity. b. If the taxpayer receives their original or reissued IP PIN and wants to e-file, arrange for them to provide the IP PIN by returning to the site or by phone. Taxpayer must return to the site to sign Form 8879, IRS e-file Signature Authorization, if they did not already do so.
An e-filed tax return was rejected because an IP PIN was missing or an invalid IP PIN was used.	1. Check the reject code explanation to determine whether the issue applies to the taxpayer, spouse, or dependent. 2. Contact the taxpayer to get their IP PIN, or to reconfirm it if it was entered incorrectly. 3. Once the IP PIN is entered or corrected, the e-file can be resubmitted. If the taxpayer does not know their current IP PIN, refer to the previous row in this table, starting at step 2.
An e-filed tax return was rejected because the taxpayer's, spouse's, or dependent's SSN was previously used.	1. If the reject was due to the dependent SSN, verify dependent information is correct and taxpayer meets requirements to claim the dependent. If the primary taxpayer obtains an IP PIN (see next page) and e-files again with their IP PIN included, the IRS will accept the return assuming there are no other issues. 2. Otherwise, the federal return will need to be paper filed: a. Provide the taxpayer with a complete copy of the tax return to keep for their records, and a second paper file copy for them to mail. See **Potential Identity Theft Letter** for instructions you can print and give to taxpayer. b. Advise the taxpayer to contact the IRS for assistance. If required, they will advise the taxpayer to complete and submit Form 14039, Identity Theft Affidavit, online at **IRS.gov/dmaf/form/f14039** (alternatively, they can manually complete **Form 14039**, and print and attach it to their return). The IRS will respond in approximately 30 days after all the necessary information is received.[1]

[1] Do not file Form 14039 if the taxpayer received any of the following IRS identity verification letters: Letters 4883C or 6330C, 5071C or 6331C, 5447C, 5747C. Their return may not get processed until the taxpayer follows the instructions in the letter.

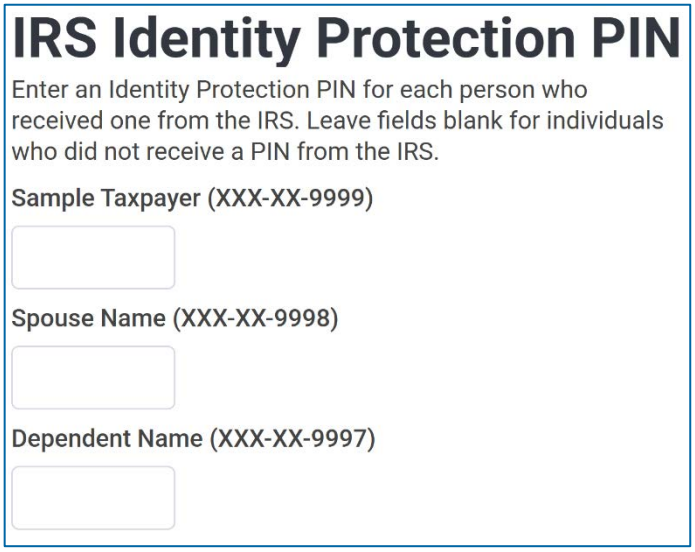
Identity Protection PIN (IP PIN) Guidance (cont'd)

Basic Information>IRS Identity Protection PIN, or
Federal Section>Miscellaneous Forms>IRS Identification PIN; or Keyword: PIN

Entering an IP PIN

An IP PIN issued to the taxpayer, spouse, or any dependents must be entered into TaxSlayer for inclusion on the electronically or paper-filed tax return.

Always use the IP PIN for the current calendar year, even when preparing a return for a prior tax year. An IP PIN is valid only for the calendar year in which it is issued and must be included on any federal tax return filed during that year, including prior-year returns.



Filing with a Missing IP PIN

An e-filed return will be rejected if:

- An IP PIN was issued but not entered, or
- An invalid IP PIN is entered.

If the taxpayer cannot retrieve their current IP PIN, they must paper file their tax return without it. The IRS will take additional time to process the return while verifying the taxpayer's identity, which will delay a refund.

Retrieving Your IP PIN

Taxpayers who did not receive, lost, or misplaced their IP PIN can visit **Retrieve Your Identity Protection PIN (IP PIN)** (www.irs.gov/retrieveippin). They have two options:

1. **Retrieve IP PIN Online**
   a. Login to their **online account** (IRS.gov/payments/online-account-for-individuals) and navigate to *Profile > Identity Protection Pin*.
   b. If they don't already have an online account, they'll be asked to create one, which requires completing a rigorous identity verification process. For more information, refer to **How to register for IRS online self-help tools** (IRS.gov/secureaccess).
   c. Note: IP PINs for minor dependents cannot be retrieved online. Follow the steps in option 2 instead.
2. **Call the IRS to Request Reissuance by Mail**
   a. If the taxpayer is unable or unwilling to create an online account, they can call the IRS at 800-908-4490 to request that their IP PIN be reissued by mail.
   b. If the taxpayer can verify their identity with a phone assistor, their IP PIN will be mailed within 21 days to the address on file with the IRS.

An IP PIN cannot be reissued by mail if:

- The taxpayer opted into the IP PIN program online after 2019.
- It's after October 14 and the taxpayer hasn't filed their current or prior year tax return.

Taxpayers who have already been assigned an IP PIN should not file Form 15227. This form is only for new requests to opt into the IP PIN program.

Voluntary Opt-In IP PIN Program

Taxpayers can voluntarily opt in to receive an IP PIN every year as an added layer of protection against tax-related identity theft. Anyone with a Social Security number (SSN) or Individual Tax Identification Number (ITIN) who can pass a rigorous identity verification process can opt in, including the taxpayer, spouse, and dependents. If they already have an IRS online account, they do not need to verify their identity again.

If a currently enrolled taxpayer is eligible to opt out of the voluntary IP PIN program, they can do so from the Identity Protection PIN section of their profile in their online account.

How to Opt In Online:

- When enrolling online, taxpayers can choose to:
  - Stay enrolled in the IP PIN Program for future years to receive ongoing protection, or
  - Opt in for the current year only.
- Taxpayers may go to **Get an IP PIN** (IRS.gov/ippin), pass Secure Access authentication and immediately access a six-digit IP PIN.
  - If the taxpayer does not already have an IRS online account, they can refer to **How to register for IRS online self-help tools** (IRS.gov/secureaccess).
  - Get an IP PIN is generally available from mid-January through mid-November.
- Taxpayers who opted to remain enrolled in the IP PIN Program **must** retrieve a new IP PIN **each** year, available starting in early to mid-January. They can do so by logging into their **online account** (IRS.gov/payments/online-account-for-individuals) and navigating to *Profile* > *Identity Protection Pin*.

Clients who are not tax-related identity theft victims, but are voluntarily opting into the program, should not file Form 14039, Identity Theft Affidavit.

Alternatives to Online Enrollment:

If the taxpayers is unable to verify their identity online, they can opt in using one of the following methods:

- Apply by Mail:
  - Taxpayers can complete and mail **Form 15227**, Application for an Identity Protection Personal Identification Number (IP PIN). The adjusted gross income on their last filed return must be below the threshold specified near the top of the form.
  - After receipt, an IRS assister will call applicants to ask a series of identity verification questions. Once the taxpayer's identity is verified, they will receive their IP PIN by mail in a CP01A Notice, usually within four to six weeks, and then annually each January thereafter.
- Apply in person:
  - If unable to use the online or Form 15227 process, taxpayers can verify their identity in person by **making an appointment** at an IRS office. They must bring one current government-issued picture identification document and another identification document to prove their identity.
  - An IP PIN will usually be mailed within 3 weeks if their identity is authenticated at a local office. They will then receive a new IP PIN annually through the mail.

Frequent Taxpayer Inquiries

Taxpayers normally ask questions during the interview process about the topics covered in this section. Visit the IRS.gov website, or see **Publication 17** for additional topics and information.

Options if the Taxpayer Can't Pay in Full

Publication 594, The IRS Collection Process, explains taxpayers' rights and responsibilities regarding payment of federal taxes. It includes a section with "Options if you can't pay in full now." Also see page K-26.

Copies of Prior-Year Returns

For information purposes: Taxpayers can go to **Get Your Tax Record** (www.irs.gov/transcripts) to register and secure a transcript which partially masks the personally identifiable information of everyone listed on the tax return. To access this transcript online they must have email and be able to prove their identities with enhanced verification. Taxpayers can also request masked transcripts to be mailed to the address on file which takes 5 to 10 calendar days for delivery. In addition, taxpayers can request a transcript via **Form 4506-T**, Request for Transcript of Tax Return, or by calling 1-800-908-9946.

For tax preparation purposes: Taxpayers or other third parties who require an unmasked transcript for tax return preparation or filing may contact the IRS in person and present proper authentication to prove their identities and receive a copy of their unmasked transcript.

If a photocopy of a return is needed, taxpayers should complete **Form 4506**, Request for Copy of Tax Return. Mail it with the required fee to the address for the state the taxpayer lived in when the return was filed. See addresses on **Form 4506**.

Amended Returns (See Tab M, Other Returns)

Form 1040-X, Amended U.S. Individual Income Tax Return, should be used by taxpayers to amend their return. Many mistakes are corrected in processing by the IRS, and a letter of explanation is mailed at the time an error is identified or when a refund is issued. In these cases, taxpayers aren't required to file an amended return as the corrections have already been made.

Sites can choose to file amended returns even if they didn't prepare the original return. See Tab M, Other Returns, for additional information on preparing amended returns. Taxpayers can check the status of their Form 1040-X, Amended U.S. Individual Income Tax Return, for the current year and up to three prior years at **Where's My Amended Return**.

Taxpayer Address Changes

Taxpayers should use **Form 8822**, Change of Address, to notify the IRS of any change of address. If taxpayers move after filing the return and before a refund is received, they should notify their old post office and the IRS of their new address.

Recordkeeping

Taxpayers should keep copies of their tax returns and records in support of items shown on their returns. These can help with preparing future tax returns, filing an amended return, or if they're audited. These records can also be helpful to their surviving spouse or the executor or administrator of their estate.

Taxpayers should keep their records until the period of limitations runs out for the return, see chart below. Keep basis documents and returns until the period of limitations expires for the year in which the property is disposed of or sold. Keep Forms 8606 (Nondeductible IRAs) until the IRA is fully distributed. See **Publication 550**, Investment Income and Expenses, for details.

Period of Limitations

IF you...	THEN the period is...
1. File a return and (2), (3), and (4) don't apply to you,	3 years.
2. Don't report income that you should and it is more than 25% of the gross income shown on your return,	6 years.
3. File a fraudulent return,	No limit.
4. Don't file a return,	No limit.
5. File a claim for credit or refund after you filed your return,	The later of 3 years or 2 years after tax was paid.
6. File a claim for a loss from worthless securities or bad debt deduction,	7 years.

Returns filed before the due date (without regard to extensions) are considered filed on the due date (even if the due date was a Saturday, Sunday, or legal holiday).

FREE Tax Preparation Locations

Consult your Site Coordinator for information about the location of other VITA/TCE sites in your area. Taxpayers may go to **Get Free Tax Prep Help** (irs.treasury.gov/freetaxprep), download the IRS mobile app IRS2Go, or call 1-800-906-9887 for more information. For AARP Tax-Aide sites, go to the **AARP Foundation Tax-Aide Locator** (www.aarp.org/money/taxes/aarp-taxaide/locations.html) or call 1-888-227-7669 for this information.

Problems Navigating the IRS

Taxpayer Advocate Service (TAS) has offices in every state, the District of Columbia, and Puerto Rico. Your local advocate's number is at **taxpayeradvocate.irs.gov**, and in your local directory. You can also call 1-877-777-4778. See **Publication 1546**, The Taxpayer Advocate Service Is Your Voice at the IRS, for details on what TAS provides.

Refund Information

Taxpayers should be directed to **Where's My Refund?** (www.irs.gov/refunds) for specific information about their refund. Taxpayers can view refund information for the current year and two prior years. For amended returns, taxpayers can check **Where's My Amended Return?** (www.irs.gov/1040xstatus).

Innocent Spouse Relief (Out of Scope)

Taxpayers who file a joint tax return are jointly and individually responsible for the tax and any interest or penalty due on the joint return even if they later divorce. In some cases, a spouse (or former spouse) will be relieved of the tax, interest, and penalties on a joint tax return. Spousal relief is granted in certain situations when a taxpayer can prove he/she isn't liable for amounts due in joint filing situations.

Taxpayers should see **Publication 971**, Innocent Spouse Relief, which explains the types of relief, who may qualify for them, and how to get them. Married persons who didn't file joint returns, but who live in community property states, may also qualify for relief.

(A) Injured Spouse Relief

 Miscellaneous Forms>Form 8379

An injured spouse claim is different from an innocent spouse relief request. If a joint return is filed and only one spouse has past-due debts that have been, or are expected to be, applied against a joint refund, the other spouse may qualify as an injured spouse. The injured spouse can request their portion of the joint refund by filing Form 8379, Injured Spouse Allocation. See page M-12. Also see *Who is considered to be an injured spouse?* in the *Filing Status* lesson of Tax-Aide's **NTTC 4491**.

Married Filing Separately

Unless required to file separately, married taxpayers may want their tax figured on a joint return and on separate returns, to make sure they are receiving the most advantageous filing status. Filing separately may be advantageous for some taxpayers in certain situations, however, most married taxpayers would pay more combined tax on separate returns than they would on a joint return. See **Publication 17**, Your Federal Income Tax (For Individuals), Filing Status section, for Special Rules (which outlines the disadvantages). Taxpayers who filed a Married Filing Jointly return cannot amend their return to change to Married Filing Separately after the due date of the return. There is an exception for deceased taxpayers.

Social Security Numbers and Account Information

Social Security Administration no longer issues Social Security Number verification printouts in their field offices. Taxpayers may get this information using the my Social Security Account feature on the Social Security Adminis-tration website. Local Social Security offices will continue to provide benefit verification letters.

Volunteers should enter names into the tax software as they appear in SSA records in order to minimize rejected returns.

Hardship Refund Request

A taxpayer's tax refund will be offset (intercepted) to pay outstanding federal tax debts, child support, federal nontax debts, state income tax debts, and unemployment compensation debts. When a tax refund is offset, the taxpayer will receive a letter explaining how the refund was applied to his or her outstanding debt.

If a taxpayer would face a hardship from a tax refund offset and has only outstanding federal tax debts, he or she can request an Offset Bypass Refund (OBR) from the IRS. Refer the taxpayer to the **Taxpayer Advocate Service** (TAS) to see if they meet TAS case acceptance criteria. The OBR typically should be requested before the return is filed because the OBR must be approved before the refund is offset.

Requests for hardship relief from other debts must be made to the agency to which the debt is owed. The Treasury Offset Program (TOP) can confirm whether a tax refund will offset for these other debts and provide details about the debt and a contact phone number for the agency to which the debt is owed. The TOP Call Center can be reached weekdays at 1-800-304-3107, TTD 800-877-8339, between 8:30 a.m. and 6 p.m. Eastern Time.

Missing Refund

When a taxpayer has verified that they did not receive a refund, even though IRS records or a letter specifies otherwise, they can initiate a trace by calling 800-919-9835 or filing Form 3911, Taxpayer Statement Regarding Refund. The taxpayer should mail Form 3911 to their usual IRS Service Center or send it via FAX. See list of FAX numbers at **www.taxpayeradvocate.irs.gov**.

Where Do You File?

Envelopes without enough postage will be returned to you by the post office. Your envelope may need additional postage if it contains more than five pages or is oversized (for example, it is over 1/4" thick). Also, include your complete return address.

Make the check or money order payable to "United States Treasury." Taxpayers should write "2025 Form 1040" and the first name listed on the tax return (primary taxpayer), address, daytime phone number, and primary taxpayer's Social Security number (SSN) on their payment and enclose it with Form 1040-V. Do not staple or attach to Form 1040-V.

Use one of the following links to find the mailing address applicable to the form you are mailing.

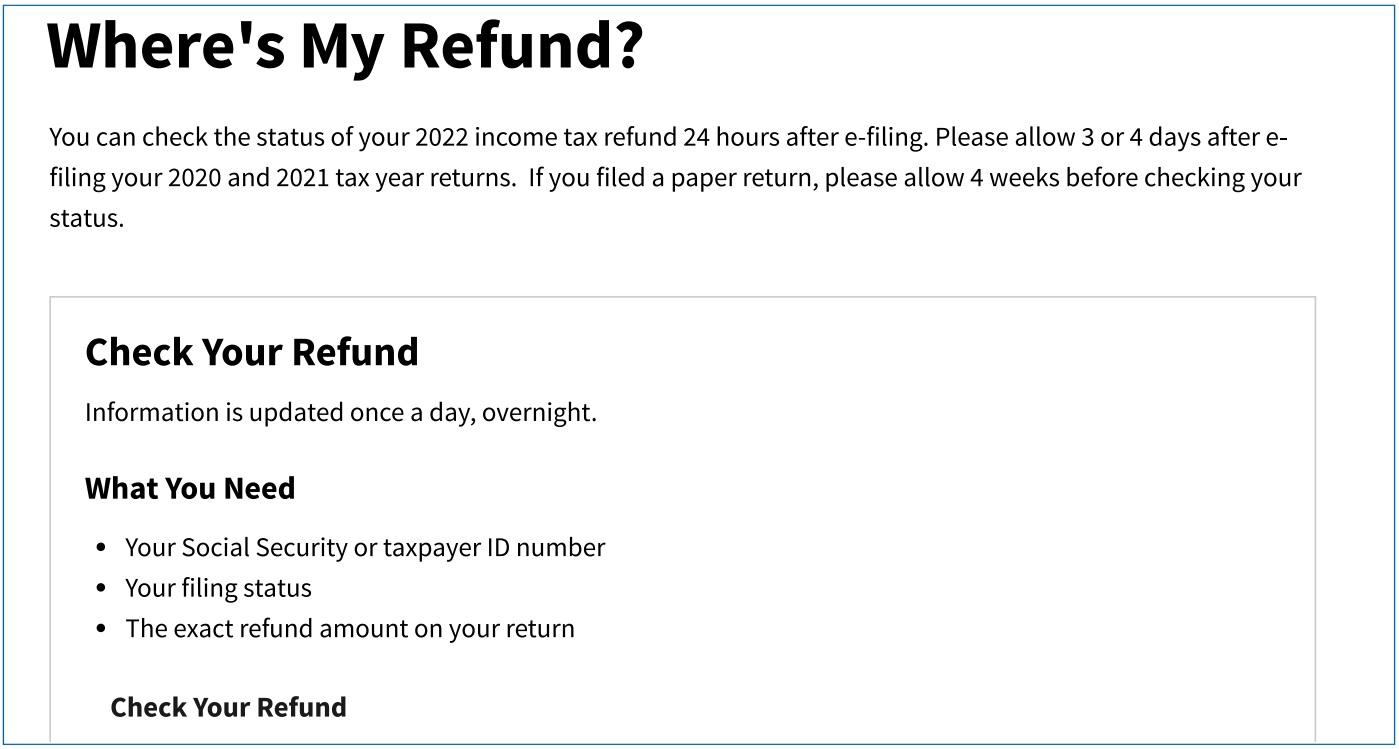
- Mailing addresses for common individual income tax forms (select your state): **IRS.gov/filing/where-to-file-paper-tax-returns-with-or-without-a-payment**
- Mailing addresses for all states:
  - Form 1040 and 1040-SR: **IRS.gov/filing/where-to-file-addresses-for-taxpayers-and-tax-professionals-filing-form-1040**
  - Form 1040-ES: **IRS.gov/filing/where-to-file-addresses-for-taxpayers-and-tax-professionals-filing-form-1040-es**
  - Form 1040-ES (NR): **IRS.gov/filing/where-to-file-addresses-for-taxpayers-and-tax-professionals-filing-form-1040-esnr**
  - Form 1040-V: **IRS.gov/filing/where-to-file-addresses-for-taxpayers-and-tax-professionals-filing-form-1040-v**
  - Form 1040-X: **IRS.gov/filing/where-to-file-addresses-for-taxpayers-and-tax-professionals-filing-form-1040-x**
  - Form 4868: **IRS.gov/filing/where-to-file-addresses-for-businesses-and-tax-professionals-filing-form-4868**
- For taxpayers that live in American Samoa, Puerto Rico, Guam, the U.S. Virgin Islands, or the Northern Mariana Islands, see **Pub 570**.

Mailing address for other forms can be found at **IRS.gov/wheretofile**.

Where's My Refund

Taxpayers can access information about their refunds for the current and two prior tax years at **Where's My Refund (www.irs.gov/refunds)**.

Taxpayers should view their **IRS Online Account** to see payment history, prior year adjusted gross income (AGI), or other tax records.



Where's My Refund?

You can check the status of your 2022 income tax refund 24 hours after e-filing. Please allow 3 or 4 days after e-filing your 2020 and 2021 tax year returns. If you filed a paper return, please allow 4 weeks before checking your status.

Check Your Refund

Information is updated once a day, overnight.

What You Need

- Your Social Security or taxpayer ID number
- Your filing status
- The exact refund amount on your return

Check Your Refund

Interactive Tax Assistant (ITA)

The **ITA tool** (www.irs.gov/ita) is a tax law resource that takes you through a series of questions and provides you with responses to tax law questions on a limited number of topics.

- Simply answer the questions and select **Continue** to progress to the next question screen.
- You may need to collect information before the interview such as income amounts, taxes owed and credits you are claiming.
- The tool includes a crossover feature that allows you to move from certain tax topics to another without needing to enter the same answers multiple times. The Review/Start Over buttons allows you to adjust responses to previously asked questions.
- When you reach the response screen, you have the option to print the entire interview and the final response.

For additional information on tax law resource tools, go to **Tax Topics** at www.irs.gov/taxtopics.

Tax Information for Individuals

IRS.gov/individuals has links for topics such as:

- **View your Tax Account**
- **Get Your Transcript**
- **Options for paying your taxes**
- **Understanding your IRS notice or letter**

Tab Q: Rejected Returns

Rejected Returns

The most common rejects involve errors in the taxpayer's or dependent's Social Security numbers (SSNs) and the Employer Identification Numbers (EINs) that appear on the Form W-2, Wage and Tax Statement, and Forms 1099. The IRS performs a name match on these numbers that can cause a return to be rejected. Typographical and other errors can often be easily resolved. The taxpayer may need to be contacted to determine the correct EIN or SSN and to verify the taxpayer's last name. Neither the IRS nor TaxSlayer Pro can resolve these rejects. The rejected reason code will show on the Summary/Print page while in a return.

The taxpayer (and spouse if filing jointly) must sign an updated Form 8879 before a corrected return is retransmitted if changes made result in a difference of more than $50 for "Total income" or "AGI," or more than $14 for "Total tax," "Federal income tax withheld," "Refund" or "Amount you owe."

Each individual transmission of a tax return resulting in a reject is added to the total number of rejects for the site. Each individual rejection increases the overall rejection rate for the site.

Refer to the TaxSlayer Validation Errors report to identify federal or state returns not accepted — validation errors may not show as rejected in the Client List

See also the TaxSlayer Reject Resource Guide. In TaxSlayer's side menu choose **VITA/TCE Publications and User Guides**. Then click on **ATTACHMENTS** near the top-left, scroll down and click on **IRS Reject Resource Guide**. Also see **TaxSlayer's Reject Code Knowledgebase**.

Top IRS E-File Reject Codes

The 3 digit reject codes in the table below are the middle or trailing digits of the full reject code; e.g., reject code R0000-500-01 is listed as 500 below and F8962-070 is listed as 070 below.

Top Reject Codes	Suggested Solutions
065 At least one of the following must have a nonzero value: Total Income, AGI, Tax, Total Credits, Total Tax, or Total Payments.	See the tip on page A-6 for instructions on how to e-file a $0 AGI return.
070 Missing Form 8962 or "ACA Explanation"	Verify if the taxpayer, spouse, or dependents had Marketplace coverage at any time during the tax year. Go to the Health Insurance section and re-answer the questions presented. If no tax family member had coverage, click the appropriate option and the return can be e-filed a second time.
164, 600 Taxpayer must file Form 8862 to claim EITC after disallowance.	Complete Form 8862, Information To Claim Certain Credits After Disallowance. See Disallowance of Certain Credits on page I-8.
180, 181, 182, 183, 995 or 996 An invalid IP PIN was entered, or no IP PIN was entered and the IRS is expecting one for the taxpayer, spouse, or a dependent.	See the Identity Protection PIN (IP PIN) Guidance table on page P-5 for information about retrieving a PIN, entering it into TaxSlayer, or paper filing as an alternative. PIN must be entered before retransmitting the return.
194, 452, 510, 513, 515, 902 or 932 Duplicate SSN for the taxpayer or spouse in IRS database. A tax return has been filed previously for the SSN.	Verify SSN. If correct, the return will need to be mailed. Work with the taxpayer to determine if ID Theft could be the cause, and see IP PIN Guidance for Identity Theft Victims on page P-5.
500 Primary SSN and Primary Name Control of the Tax Form must match data from the IRS Master File.	Verify name and SSN or ITIN. Double check source document. Review name and SSN control.
501 Qualifying SSN on Schedule EIC and the corresponding Qualified Name Control must match data from the IRS Master File.	Can be a companion to Reject Code 504. However, if the Qualifying Child listed for EITC is a dependent on page one of tax return and only Reject Code 501, verify source data for year of birth or verify with client the year of birth. IRS only verifies year – not month or day – of birth.
502 Employer Identification Number of Form W-2, W-2G, or 1099-R must match data from the IRS Master File.	Based on the Acknowledgement (ACK) Report, determine if W-2, W-2G or 1099-R. If more than one, determine from ACK Report which number. Double check the source document. If still incorrect, contact payer or have client contact payer. If still unable to resolve, have taxpayer mail in the return.

Top Reject Codes (cont'd)

Top Reject Codes	Suggested Solutions
503 Last name for the secondary taxpayer on the return does not match the IRS Master File and/or SSA records.	Verify the name, SSN or ITIN. Ask to see the Social Security card of the spouse. Check for spelling and transposition errors. If the data entered is incorrect, make the corrections and retransmit the return.
504 Dependent's SSN must match data from the IRS Master File.	Verify name and SSN or ITIN. Check spelling and data entry. Have the client contact Social Security Administration (SSA) to verify information. Ask to see the Social Security card(s).
506 Qualifying child's SSN listed for the purpose of claiming Earned Income Tax Credit (EITC) has been used on another tax return.	Verify SSN of the dependent. If correct, the primary taxpayer can obtain an IP PIN and e-file again with the IP PIN entered on the return. The IRS will accept the return assuming there are no other issues with it. Taxpayers also have the option to paper file returns with duplicate claims for dependents. Explain that this could be inadvertent error on another return OR it is possible someone else may have knowingly claimed this dependent.
507 Dependent's SSN on the Form 1040 was previously used for the same purpose.	Verify SSN of the dependent. If correct, the primary taxpayer can obtain an IP PIN and e-file again with the IP PIN entered on the return. The IRS will accept the return assuming there are no other issues with it. Taxpayers also have the option to paper file returns with duplicate claims for dependents. Explain that this could be inadvertent error on another return OR it is possible someone else may have knowingly claimed this dependent.
516 SSN is listed on another return as a dependent. Verify SSN.	If correct, the primary taxpayer can obtain an IP PIN and e-file again with the IP PIN entered on the return. The IRS will accept the return assuming there are no other issues with it. Taxpayers also have the option to paper file the return. Explain that this could be inadvertent error on another return OR it is possible someone else may have knowingly claimed the taxpayer as a dependent.
517 Dependent's SSN was listed as the taxpayer's/spouse's SSN on another return without the box checked that someone can claim that taxpayer/spouse as a dependent.	Verify SSN of the dependent. This rejection is common on the returns of parents who are still claiming a young adult who also files their own tax return. If this dependent can be claimed by the taxpayer, then: • The primary taxpayer can obtain an IP PIN and e-file again with the IP PIN entered on the return. The IRS will accept the return assuming there are no other issues with it. Taxpayers also have the option to paper file the return. • The dependent will need to file an amended return indicating they can be claimed as someone's dependent.
535 Qualifying SSN on Schedule EIC and the corresponding Year of Birth must match data received from the SSA.	Verify birthday, name and SSN of each child.
541 Taxpayer must be older than qualifying child on Schedule EIC.	Verify birthdays of taxpayer and child.
901, 941 The Taxpayer's or Spouse's SSN has been locked because the Social Security Administration records indicate the number belongs to a deceased individual.	Verify SSN. If correct, but the individual is not deceased, then have the taxpayer contact the SSA to correct their records (wait at least 2 weeks after SSA is contacted before reattempting to e-file, otherwise return must be mailed). If the individual is deceased, then the return will need to be mailed.

The IRS now offers a new option for taxpayers to opt-in to the IP PIN Program for the current year only (they will automatically be opted-out for future years). For more details, see page P-7.

NTSC **T04 TaxSlayer Software - Transmitting Returns, Handling Rejected Returns, and Reconciling Returns** explains the tools and best practices for ensuring a return is filed properly.

Tab GL: Glossary

Glossary

Acronyms are at the end of the Glossary. Links within definitions are generally to other referenced definitions.

ABLE Account – An ABLE account is a tax-favored account that can accept contributions for an eligible individual with a disability or who is blind, and who is the designated beneficiary and owner of the account. Distributions for qualified disability expenses are not included in income.

Acknowledgment (ACK) – A report generated by the IRS to a Transmitter that indicates receipt of all transmissions. An ACK Report identifies the returns in each transmission that are accepted or rejected for specific reasons.

Adjusted Basis – Original basis plus applicable increases or decreases to basis; e.g., capital improvements, assessments, etc. See **Publication 551**, Basis of Assets, for details.

Adjusted Gross Income (AGI) – Gross income minus adjustments to income. AGI will never be greater than gross total income on the return, but may be less.

Adjustments to Income – Specified adjustments such as educator expenses, deductible contributions to a health savings account, penalty on early withdrawal of savings, alimony paid, contributions to a traditional IRA, student loan interest, etc. Adjustments from Part II of **Schedule 1 (Form 1040)** are subtracted from total income to establish the AGI.

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

Basis – The original price of a capital asset plus costs of purchase, such as certain commissions and fees. See **Publication 551**, Basis of Assets, for details. Also see Adjusted Basis.

Blind – A taxpayer is considered blind if either totally blind as of December 31 of the tax year or they have a statement certified by their eye doctor (ophthalmologist or optometrist) that:

- They cannot see better than 20/200 in their better eye with glasses or contact lenses, or
- Their field of vision is 20 degrees or less.

The taxpayer must keep the statement in their records in case the IRS asks for it, but does not need to show it to the volunteer.

Capital Gain or Loss – The difference between the amount received when a capital asset has been sold and its adjusted basis.

Carryback – The portion of an income tax deduction (as for a net operating loss) or credit which cannot be taken entirely in a given period and which may be deducted from taxable income of a prior period.

Cost Basis – See Basis.

Convertible Virtual Currency – See Virtual Currency.

Custodial Parent and Noncustodial Parent – The custodial parent is the parent with whom the child lived for the greater number of nights during the year. The other parent is the noncustodial parent. If the child lived with each parent for an equal number of nights during the year, the custodial parent is the parent with the higher adjusted gross income. See **Publication 501** for details on counting nights.

Deduction – An amount subtracted from adjusted gross income before the tax is computed. See also Itemized Deductions and Standard Deduction.

De Minimis – Inconsequential; allowed for amounts in specific entries on a tax form.

Dependent – Either a qualifying child or a qualifying relative (not necessarily a biological relative) of the taxpayer meeting the requirements found in Tab C.

Digital Asset – A digital representation of value that is recorded on a cryptographically secured distributed ledger or a similar technology. Examples include non-fungible tokens (NFTs) and convertible virtual currencies, such as cryptocurrencies and stablecoins.

Direct Debit – An electronic transfer of a payment from a taxpayer's financial institution account.

Glossary (cont'd)

Direct Deposit – An electronic transfer of a refund into a taxpayer's financial institution account.

Disabled – See Totally and Permanently Disabled.

Due Diligence – See page K-14 for due diligence requirements for volunteer preparers. For paid tax return preparers, due diligence refers to requirements they must follow when determining eligibility to file a return claiming the Head of Household filing status or certain credits, including the EITC. The Due Diligence Checklist (Form 8867) is not applicable to volunteer preparers.

Earned Income – Any income received for work, such as wages or business/self-employment income.

Earned Income Tax Credit (EITC or EIC) – A refundable tax credit for most people who work but do not earn high incomes. The purpose of the EITC is to reduce their tax burden and to supplement the wages of working families whose earnings are less than the credit's maximums for their filing status. See Tab I.

Education Credit – A credit based on qualified education expenses paid during the tax year. Includes the sometimes partially refundable American Opportunity Tax Credit (AOTC) and the nonrefundable Lifetime Learning Credit.

Electronic Filing Identification Number (EFIN) – An identification number assigned by the IRS to an authorized IRS e-file provider.

Estimated Tax Payments – Payments that may be required if the expected tax due exceeds certain limits. These payments have quarterly due dates and are most frequently made by taxpayers having income not subject to withholding, including self-employment, dividends, interest, capital gains, rent, royalties, etc. Also includes any overpayment from the prior tax year that the taxpayer elected to apply to the current tax year.

Exempt Income – Nontaxable income that is generally not shown on the return and not included in the income tax computation. There are some instances when exempt income is shown on the return but not included in the income tax computation, such as interest income produced from certain types of investments.

Exemption – The deduction for personal exemptions is eliminated. However, for TY2025 – TY2028, an enhanced deduction for seniors is allowed. See page F-19 for details.

Facilitated Self Assistance (FSA) – A method taxpayers can use to file their own return using a web-based tax preparation software program.

Foreign Earned Income Exclusion – Certain taxpayers can exclude income earned in, and while living in, foreign countries.

Foster Child – A foster child is an individual who is placed with you by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

Full-time Student – See Student.

Gross Income – All income received in the form of money, goods, property, and services that isn't exempt from tax (see Exempt Income). For example: wages, dividends, capital gains, business income, retirement distributions, etc.

Health Savings Account (HSA) – A medical savings account available to taxpayers who are enrolled in a High-Deductible Health Plan (HDHP). Funds contributed to an account, up to an annual limit, are not subject to income tax. Distributions from an HSA used exclusively to pay qualified medical expenses of the account beneficiary, spouse, or dependents are excludable from gross income.

Identity Protection PIN (IP PIN) – A six-digit number issued annually to taxpayers that helps prevent the misuse of their Social Security Number on fraudulent federal income tax returns. Allows taxpayer to file electronically.

Individual Taxpayer Identification Number (ITIN) – A tax processing nine-digit number issued by the IRS to individuals who do not have and are ineligible to get a Social Security number. ITINs are issued regardless of immigrant status because both resident and nonresident aliens may have a U.S. filing or reporting requirement. To remain valid, an ITIN must have been used at least once during the previous 3-year period.

IRS e-file Signature Authorization (Form 8879) – Declaration document and signature authorization for a return e-filed by an Electronic Return Originator (ERO).

IRS Individual Master File (IMF) – Contains data from an array of sources to aid the IRS regarding tax return submissions. The IMF includes tax return filing information, payment information, examination results, and related documents.

Itemized Deductions – Specific expenses such as unreimbursed medical or dental expenses (subject to a limitation), mortgage interest, eligible state and local taxes (SALT), and charitable contributions, that allow taxpayers to reduce their taxable income.

Legally Blind – See Blind.

Main Home – Ordinarily, a home the taxpayer lived in most of the time. It does not have to be a traditional house. A condominium, cooperative apartment, mobile home, and a houseboat can also be a main home, but it must have cooking, sleeping and bathroom facilities.

If a taxpayer owns and lives in just one home, then that property is their main home. Taxpayers who own or live in more than one home cannot choose which home to designate as their main home, but instead must apply a "facts and circumstances" test to determine which property is their main home. See **Publication 523**, Sale of Home, for details.

Medicaid Waiver Payments (MWP) – These are payments treated as difficulty of care payments when received by an individual care provider for care of an eligible individual (whether related or unrelated) living in the same home.

Modified Adjusted Gross Income (MAGI) – Adjusted gross income plus or minus specified items. Definition varies depending on tax benefit.

Name Control – The first four significant letters of a taxpayer's last name that the IRS uses in connection with the taxpayer SSN to identify the taxpayer, spouse and dependents.

Noncustodial Parent – See Custodial Parent and Noncustodial Parent.

Nonrefundable Credit – A dollar-for-dollar reduction of the tax liability. Nonrefundable credits can only reduce the tax liability to zero.

Nonresident Alien – (for tax purposes) Any individual who is not a U.S. Citizen, Resident Alien, or U.S. National and has not passed the green card test or the substantial presence test for the calendar year.

Nontaxable Income – Generally excludable and not shown on the return, such as gifts and inheritances. See page D-4 for examples.

Other Taxes – Taxes such as self-employment tax, additional tax on IRAs or other tax-favored accounts, additional tax on HSA distributions, etc. Other taxes on Part II of **Schedule 2 (Form 1040)** are added to income tax to establish the total tax.

Payments – Total payments include federal withholding, estimated tax payments, applied from prior year overpayment, and refundable credits. This total is subtracted from the total tax to calculate the amount overpaid or amount owed.

Practitioner PIN Method – An electronic signature option for taxpayers who use an Electronic Return Originator to e-file.

Qualified Business Income (QBI) Deduction – QBI includes Section 199A dividends, self-employment income, etc. See *Determining Your Qualified Business Income* in the **Instructions for Form 8995**. The maximum QBI Deduction is 20% of QBI.

Qualified Tuition Program (QTP) – also known as 529 plans, QTPs are established by states or institutions to allow individuals to prepay or contribute to an account for paying a student's qualified education expenses at an eligible educational institution. See Tab J.

Refundable Credit – Dollar-for-dollar credits that can reduce the tax liability below zero and allow the taxpayer to receive a tax refund. Refundable credits such as the Additional Child Tax Credit, Earned Income Tax Credit, and refundable portion of the American Opportunity Tax Credit can be used even if there is no tax liability.

Rejected Return – A tax return that has been transmitted to the IRS, but due to validation issue(s), the IRS has not accepted it for e-file processing. Rejected returns must either be corrected, re-transmitted and accepted or paper filed.

Resident Alien – (for tax purposes) Any individual who is not a U.S. citizen or U.S. national, but meets either the green card test or the substantial presence test for the calendar year.

Routing Transit Number (RTN) – A nine digit number assigned by the Federal Reserve to each financial institution.

Self-Select PIN Method – An electronic signature option for taxpayers who e-file using either a personal computer or an ERO. This method requires the taxpayer to create a five-digit Personal Identification Number (PIN) to use as the signature on the e-file return and to submit authentication information to the IRS with the e-file return.

Sheltered Workshop – A school that:

- Provides special instruction or training designed to alleviate the disability of the individual; and
- Is operated by certain tax-exempt organizations, or by a state, a U.S. possession, a political subdivision of a state or possession, the United States, or the District of Columbia.

Site Identification Number (SIDN) – A nine-character identification number assigned to each volunteer site by the IRS; starts with the letter S.

Standard Deduction – A dollar amount based on filing status that reduces the amount of taxable income, including an additional amount for individuals who are blind or age 65 or over.

Student – To qualify as a student, a person must be either of the following during some part of each of any 5 calendar months of the year. The 5 calendar months do not have to be consecutive.

1. A full-time student at a school that has a regular teaching staff, course of study, and a regularly enrolled student body. Includes a K-12 school, a college, a university, or a technical, trade, or mechanical school.
2. A student taking a full-time, on-farm training course given by a school described in (1), or by a state, county, or local government agency.

The school determines the number of hours to be considered full-time.

An on-the-job training course, correspondence school, or school offering courses only through the internet does not meet the requirements:

- to be a qualifying child, or
- for the taxpayer or spouse to be a full-time student for the credit for child and dependent care expenses or the exclusion from income for dependent care benefits.

Supplemental Security Income (SSI) – Monthly benefits to people with limited income and resources who are permanently and totally disabled, blind, or age 65 or older. Amount does not necessarily remain constant all year. It is possible to get SSI alone or in conjunction with Social Security benefits. SSI is nontaxable.

Taxable Income – Adjusted gross income minus standard or itemized deductions and qualified business income (QBI) deduction. See page D-3 for examples.

Taxpayer Advocate Service (TAS) – An independent organization within the IRS, led by the National Taxpayer Advocate. Its job is to ensure every taxpayer is treated fairly and that taxpayers know and understand their rights. TAS offers free help to taxpayers in dealing with the often-confusing process of resolving tax problems they have not been able to resolve on their own. TAS has at least one taxpayer advocate office located in every state, the District of Columbia, and Puerto Rico. See page Z-2.

Temporary Absence – You and your qualifying person are considered to live together even if one or both of you are temporarily absent from your home due to special circumstances, such as illness, education, business, vacation, military service, incarceration or detention in a juvenile facility. It must be reasonable to assume the absent person will return to the home after the temporary absence. You must continue to keep up the home during the absence.

Third Party Designee – A friend, family member, or another person designated by the taxpayer to discuss a specific tax return with the IRS. This authorizes the IRS to contact the designee to answer any questions that may arise regarding this return. The designee must never be the volunteer preparer.

Totally and Permanently Disabled – An individual is totally and permanently disabled if both of the following apply:

- They can't engage in any substantial gainful activity because of a physical or mental condition.
- A doctor determines the condition has lasted or can be expected to last continually for at least a year or can lead to death.

Unearned Income – Any income not produced from work, such as unemployment income or income produced by investments.

Virtual Currency – A digital representation of value, other than a representation of the U.S. dollar or a foreign currency ("real currency"), that functions as a unit of account, a store of value, and a medium of exchange. Some virtual currencies are convertible, which means that they have an equivalent value in real currency or act as a substitute for real currency. Includes, for example, cryptocurrencies and stablecoins.

Virtual VITA/TCE Methods – Site methods where face-to-face activities are not used during the tax preparation process. The IRS-tax-law-certified preparer who prepares the return and/or the quality reviewer are not face-to-face with the taxpayer. Includes temporary VITA/TCE Contingency Plan, Drop-Off Site, an Intake Site plus a Return Preparation and/or Quality Review Site.

Wash Sale – The sale of securities at a loss and the acquisition of the same (substantially identical) securities within 30 days of the sale date (before or after). The loss is added to the cost of the new stock or securities, increasing the cost basis.

Acronyms

Links below are to definitions in the Glossary.

AMT Alternative Minimum Tax
ATP (Tax-Aide) Alternative Tax Preparation
ACTC Additional Child Tax Credit
AGI Adjusted Gross Income
ATIN Adoption Taxpayer ID Number
AOTC/AOC American Opportunity Tax Credit
APTC Advance Payment of the Premium Tax Credit
CDCC Child and Dependent Care Credit
CHIP Children's Health Insurance Program
COD Cancellation of Debt
CTC Child Tax Credit
DC (Tax-Aide) District Coordinator
EFIN Electronic Filing Identification Number
EIN Employer Identification Number
EITC/EIC Earned Income Tax Credit
ERO Electronic Return Originator
FMV Fair Market Value
FPL Federal Poverty Level
HDHP High-Deductible Health Plan
HOH Head of Household
HSA Health Savings Account
IMF (IRS) Individual Master File
IP PIN Identity Protection PIN
IRA Individual Retirement Account/Arrangement
ITIN Individual Taxpayer Identification Number
LC (Tax-Aide) Local Coordinator
LTC/LTCI Long-Term Care/LTC Insurance
MAGI Modified Adjusted Gross Income
MFS/J Married Filing Separately/Jointly
MWP Medicaid Waiver Payments
NFT Non-fungible Token
NTTC (Tax-Aide) National Tax Training Committee
ODC Credit for Other Dependents
OOS Out of Scope
OTA (Tax-Aide) Online Tax Assistance
POA Power of Attorney
PSO Public Safety Officer
PTC Premium Tax Credit
QBI Qualified Business Income
QCD Qualified Charitable Distribution
QSS Qualifying Surviving Spouse
RMD Required Minimum Distribution
RTN Routing Transit Number
SALT State and Local Taxes
SEHI Self-Employed Health Insurance
SIDN Site Identification Number
SLCSP Second Lowest Cost Silver Plan
SSI Supplemental Security Income
SSDI Social Security Disability Insurance
SSN Social Security Number
TAS Taxpayer Advocate Service
TCE Tax Counseling for the Elderly
TIN Taxpayer Identification Number
VITA Volunteer Income Tax Assistance

Tab IN: Index

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Low Income Taxpayer Clinics (LITCs) – Assistance with Tax Problems

Has your taxpayer received a letter from the IRS or has their federal refund been offset?

An LITC may be able to help.

What are LITCs?

LITCs are organizations that represent and advocate for taxpayers who have tax problems with the IRS. They are independent from the IRS and the Taxpayer Advocate Service (TAS). LITC tax professionals offer services for free or a small fee.

Who can receive LITC help?

Taxpayers whose incomes are below a certain level may be eligible for assistance (generally not to exceed 250% of the Federal Poverty Level). Up to 10% of the cases accepted by an LITC may include taxpayers who have income above 250% of the poverty level. For this reason, it is often best to refer a taxpayer and allow the clinic to make the eligibility determination.

What issues can LITCs help with?

LITCs can help with many federal tax issues, e.g., making payments or requesting collection alternatives such as currently not collectible status or an offer in compromise, helping to gather proof to show eligibility for tax exemptions and credits such as the Earned Income Tax Credit, obtaining tax refunds stolen due to identity theft, and appealing IRS decisions. Individual taxpayers include self-employed taxpayers or those with individual tax debt even if it is related to operation of a business. LITCs may also help taxpayers who have both a federal tax dispute and related state and local tax disputes. In addition, LITCs provide education, outreach, and information on taxpayer rights and responsibilities in different languages for individuals who speak English as a second language.

Where is the nearest LITC?

For more information or to find an LITC near your taxpayer, visit **www.taxpayeradvocate.irs.gov/litc** and use the "Find your local clinic" search tool at the bottom of the page. The location listed may be the main office, as many clinics have additional locations. Call your clinic to find more information. You can access the latest version of **Publication 4134**, Low Income Tax Clinic List, at **www.irs.gov/pub/irs-pdf/p4134.pdf**. You can also call 800-TAX-FORM (800-829-3676) to request this publication.

Note: Your site can order printed copies of **Publication 4134** and you can contact your local LITCs to request copies of their brochures or business cards. All LITCs provide education about taxpayer rights and responsibilities. LITCs funded under a pilot program educate individuals who speak English as a second language about their taxpayer rights and responsibilities and may not offer representation assistance. IRS **Publication 4134** and the LITC locator tool note these clinics.

Taxpayer Advocate Service Is Here to Help You

The Taxpayer Advocate Service (TAS) is an ***independent*** organization within the Internal Revenue Service (IRS), led by the National Taxpayer Advocate, that helps taxpayers and protects taxpayer rights. TAS offers free help to taxpayers when a tax problem is causing a financial difficulty, when they've tried and been unable to resolve their issue with the IRS, or when they believe an IRS system, process, or procedure just isn't working as it should. TAS strives to ensure that every taxpayer is treated fairly and knows and understands their rights under the Taxpayer Bill of Rights.

TAS has offices in every state, the District of Columbia, and Puerto Rico. To find your local advocate's number:

- Visit **www.TaxpayerAdvocate.irs.gov/contact-us**;
- Check your local directory; or
- Call TAS toll-free at 877-777-4778.

The Taxpayer Advocate Service's website, **www.TaxpayerAdvocate.irs.gov**, is a resource for all taxpayers. It covers a variety of tax-related concepts and problems, breaking each down to describe what taxpayers should know, what they should do, and where they can get more help if needed. Taxpayers can also learn about their taxpayer rights.

If a taxpayer comes into a VITA/TCE site with a tax problem they have been unsuccessful in resolving with the IRS, is facing a financial difficulty due to an IRS problem, or believes an IRS system, process, or procedure is not functioning as it should, TAS may be able to help.

Taxpayer Civil Rights

The Department of the Treasury-Internal Revenue Service will not tolerate discrimination based on race, color, national origin (including limited English proficiency), disability, reprisal, sex (in education programs or activities) or age in programs or activities receiving federal financial assistance from the Internal Revenue Service.

Persons with disabilities and/or limited English proficiency should be able to participate in or benefit from programs and services that IRS supports. Taxpayers with a disability may request a reasonable accommodation and taxpayers with limited English proficiency may request language assistance to access service. For additional information refer to Publication 4053 (en-sp), Your Civil Rights are Protected Poster for IRS Assisted Programs (VITA/TCE/LITC) (English & Spanish Version), for reasonable accommodation.

If a taxpayer believes that he or she has been discriminated against, a written complaint should be sent to:

Internal Revenue Service
Civil Rights Unit
1111 Constitution Avenue, NW, Room 2413
Washington DC 20224

Email: **civil.rights.division@irs.gov**

Do not send tax returns, payments or other non-civil rights information to this address.

Information for Volunteers

TaxSlayer	
TaxSlayer Volunteer Support Need site SIDN when you call	1-800-421-6346 (Do not give to the public)
TaxSlayer via E-Mail	**support@vita.taxslayerpro.com**
TaxSlayer Chat	From inside a return, select Help and Support, then choose Chat

Prior Year Return Access	
See page M-10 for details	**vita.taxslayerpro.com**

Internal Revenue Service	
VITA/TCE Hotline for tax law questions (volunteer use only)	1-800-829-8482 (800-TAX-VITA) **Monday – Friday 7:00 AM – 7:00 PM** No service on Saturdays
IRS e-file Help Desk	1-866-255-0654
Identity Theft Unit	1-800-908-4490
Taxpayer Assistance Centers	1-844-545-5640
Quality and Volunteer Tax Alerts	**www.irs.gov/individuals/quality-and-tax-alerts-for-irs-volunteer-programs**
IRS Toll-free line	1-800-829-1040
Order IRS Forms and Publications	1-800-829-3676

Information to Assist Taxpayers	
Refund Offset Inquiry (Bureau of the Fiscal Service)	1-800-304-3107
IRS Tax-Help for Deaf (TDD)	1-800-829-4059
Taxpayer Advocate Service	1-877-777-4778
Social Security Administration	1-800-772-1213
Treasury Retail Securities (savings bonds)	1-844-284-2676
Also see Tab P, Partner Resources	

Also see Tab P, Partner Resources