



4012

VITA/TCE Volunteer Resource Guide

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

2015 RETURNS



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



How to Get Technical Updates?

Updates to the volunteer training materials will be contained in Publication 4491X, VITA/TCE Training Supplement. The most recent version can be downloaded at: <http://www.irs.gov/pub/irs-pdf/p4491x.pdf>

Volunteer Standards of Conduct

VITA/TCE Programs

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

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

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

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

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

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

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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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WAGE AND INVESTMENT DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
ATLANTA, GA 30308

October 2, 2015

Greetings Volunteers,

Welcome to the 2016 filing season. We are delighted you are joining us. Your role as a volunteer is critical in fulfilling our mission to provide free tax preparation service to the American taxpayers in your communities.

During the last filing season, we faced significant challenges with the implementation of the Premium Tax Credit and Individual Shared Responsibility Payment provisions of the Affordable Care Act. In addition, the late passage of extender legislation made it difficult to finalize some key forms and complete related programming and training materials. Despite these challenges, we delivered a successful filing season and prepared more than 3.7 million tax returns with a 94% accuracy rate. As part of our team, you are our most important and greatest asset. We could not accomplish what we do without our volunteers, and I thank you.

SPEC continues to encourage consistent site operations and effective communications to improve quality and oversight of the Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) programs. The following updates are new for this filing season:

- Revisions to Publication 4396A, *Partner Resource Package*
- Revisions to Form 13533, *Partner Sponsor Agreement*
- Creation of a certification test for Form 13614-C, *Intake/Interview Quality Review*

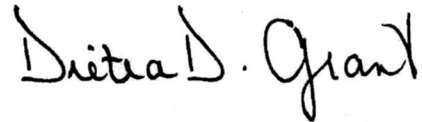
We have also made additional changes to our policies and procedures for the 2016 filing season which are highlighted in the Fact Sheet immediately following this letter.

I welcome your suggestions for improving your experience, as well as that of the taxpayers you serve. Please email your feedback to partner@irs.gov or mail to:

Internal Revenue Service (VITA/TCE – Training)
401 West Peachtree Street, NW – Stop 45 W&I
Atlanta, GA 30308

Again, welcome to the 2016 Filing Season and thank you for all you do for the VITA/TCE programs.

Sincerely,

A handwritten signature in black ink that reads "Dietra D. Grant". The signature is written in a cursive style with a large, prominent "D" at the beginning.

Dietra D. Grant
Director, Stakeholder Partnerships,
Education and Communication

FACT SHEET – For Partners and Employees

Quality & Oversight Updates for 2016 Filing Season



This document summarizes quality and oversight updates for the 2016 Filing Season.

Key Points

- All VITA/TCE sites are asked to have their volunteer lists to the territory by February 3rd but no later than February 15th.
- Returning volunteer instructors, preparers, coordinators, and quality reviewers are no longer required to take the Form 13614-C Training, instead, they will certify by passing the (new) test in Form 6744 or in Link & Learn.
- Partner and Sub-Partner Forms 13325/13324, *Civil Rights Assurance Agreement* Forms have merged into the Form 13533, *Partner Sponsor Agreement*. (To allow one form, one signature).
- Publication 5159 - *Partner FSR Guide* has merged into the Publication 4396A - *Partner Resource Package*.
- At the Site Coordinator's discretion, SSA verification documents with truncated SSN can be used as acceptable documents.
- The requirement to visit all VITA/TCE sites has been changed from every four years to every five years. (Field Site Visits-10% and Remote Site Reviews - 10%)

Background: SPEC continues to encourage consistent site operations and effective communications to improve quality and oversight of the VITA/TCE programs. The following updates are effective for the 2016 Filing Season.

Updates to Quality Site Requirements (QSR)

QSR #1 – Certification

- **Update:** All VITA/TCE sites are asked to have their volunteer lists to their SPEC Territory by February 3rd but no later than February 15th. A new report must continue to be submitted on the 3rd of each month to show new volunteers not previously reported.
Why: To give additional time for sites opening later than February 3rd to send their listings to their territories. This also allows territories to assist with submitting timely volunteer milestones.
- **Update:** Returning volunteer instructors, preparers, Site Coordinators and quality reviewers are no longer required to take Intake/Interview & Quality Review Training and will now certify by passing the new IRS test. **NOTE:** New volunteers in these same positions *are* required to take Intake/Interview & Quality Review Training *and* pass the new certification test.
Why: To provide a consistent certification path similar to the VITA/TCE tax law certifications.

Changes to Oversight

- **Change:** Publication 5159, *Partner Filing Season Readiness Training Guide*, is now obsolete. This information can be found in the Publication 4396-A, *Partner Resource Package*.
Why: Pub 4396-A will be the primary guide to promote and inform new and existing partners on effective site management expectations and will serve as a partner resource tool.
- **Change:** The VolTax toll free number, 1-877-330-1205, is no longer available. Volunteers and taxpayers are to use wi.voltax@irs.gov to report unethical volunteer or site practices. *Why:* Calls received on the toll free number did not support the intended purpose. Most of the calls did not relate to unethical behavior.

- **Change:** Forms 13325/13324, *Civil Rights Assurance Agreements* for the partner and sub-partner, has merged into Form 13533, *SPEC Partner Sponsor Agreement*. There is now one form and one signature for each partner.
Why: This was a recommendation from several employees and partners and will result in a reduction of burden on the partners and the agency.
- **Change:** Social Security Administration (SSA) verification documents with a truncated SSN, (i.e. ***-**-1234) can be used as acceptable documents for social security number verification at the Site Coordinator's discretion.
Why: SSA is following strict security guidelines and they are now truncating SSNs on their verification documents. Before this change SPEC allowed these documents as proof of valid social security numbers. Now, the Site Coordinator can determine if they will allow a truncated SSN as proof or require the taxpayer to provide a social security card or another acceptable method of verification.
- **Change:** SPEC will provide additional guidance for following the Virtual VITA/TCE Program.
Why: In 2015, sites were not following the required security e-file standards.
- **New:** SPEC will provide a contingency plan allowing sites to temporarily switch to a Virtual VITA Model during temporary emergencies, such as software shut down, internet shut down, or when volunteer quality reviewers are not present at the site.
Why: This will provide sites an alternative filing method for assisting taxpayers during temporary emergencies.
- **New:** SPEC will provide guidance on how to help deter identity theft returns from being filed at their VITA/TCE sites. This could include requiring sites to increase their requirements for reviewing photo ID and social security numbers.
Why: The number of ID theft-related returns in our VITA/TCE sites is steadily increasing.
- **Change:** Extension 245 for the Identity Protection Specialized Unit phone line is no longer available. Taxpayers can continue to use the toll free number, 1-800-908-4490, to receive a replacement IP-PIN if the taxpayer is unable or unwilling to create an account on www.irs.gov.
Why: The extension number was eliminated due to limited use.
- **Change:** The policy for Field Site Visits (FSV) and Remote Site Reviews (RSR) has changed from every four years to every five years. This reduces the FSV/RSR review requirements from 25% to 20% (FSV 10% and RSR 10 %).
Why: A change in FSV/RSR review policy was made due to budget constraints and in an effort to use travel funds to assist partners with critical training needs such as attending a Site Coordinator's Training that includes multiple Site Coordinators.
- **New:** All policy changes altering the current Quality Site Requirements (QSR), software agreements, e-file requirement, security policies, etc., must be approved by the SPEC Director.
Why: SPEC is not willing to jeopardize quality standards, security requirements, or other license agreements in an effort to increase return preparation.

Update to Volunteer Standards of Conduct

- The language for Volunteer Standards of Conduct #2 has changed to: *“Do not accept payments, solicit donations, or accept refund payments for federal or state tax return preparation.”*
Why: To make it clear that taking or accepting refunds for any reason is not acceptable.

How to Use This Guide

This publication is designed to assist you in preparing an accurate paper or software-prepared return using TaxWise®.*

The decision trees and interview tips are from your training materials and Publication 17, Your Federal Income Tax Guide (For Individuals). Use these tools during the dialogue with the taxpayer—“ask the right questions; get the right answers.” **Note: *Publication 17 can be linked and researched electronically via WWW.IRS.gov.***

Also available via **WWW.IRS.gov** is the Interactive Tax Assistant (ITA), which is an excellent tool to guide you through answers to tax law questions.

*TaxWise® is a copyrighted software program owned by CCH Small Firm Services (CCH). The screen shots in this publication should not be extracted, copied, or distributed without written approval of the IRS.

Note:



1. TaxWise® screen shots in this guide may not be updated for current tax law. Generally, the screens depicted mirror the last year’s version. However, there are some instances where there are embedded references to earlier tax years.
2. Not all forms are authorized for all volunteer programs. Forms intended specifically for the Military VITA Program will be annotated as such. Volunteers should only provide tax assistance based on their level of certification—basic, advanced, military, international, or Health Savings Accounts.

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

Scope of Service

Volunteers are trained to assist in the filing of Form 1040 and certain schedules and forms. To be covered under the Volunteer Protection Act, volunteers must stay within the scope of the VITA/TCE programs and prepare returns for which they achieved certification. This chart covers limitations or expansion of scope of service for each certification level. The check mark indicates within scope for that level of certification. The light gray areas indicate tax law topics not covered under that certification level. Form 1040 line items omitted from this chart are out of scope. Within each line item, there are specific elements that are out of scope for the VITA/TCE programs as indicated in the training. This list is not all-inclusive.

VITA/TCE Hot Line Assistor's column has been added below. For more information see Publication 5220, VITA/TCE Volunteer Site Scope & Referral Chart.

Form 1040 Line #	Description	Information Reporting Document	 Basic	 Advanced	Can Hotline Assistors Address these Tax Law Topics with VITA/TCE Volunteer?*
Filing Status			See Note 1	See Note 1	
1	Single		✓	✓	Yes
2	Married filing jointly		✓	✓	Yes
3	Married filing separately		✓	✓	Yes
4	Head of household		✓	✓	Yes
5	Qualifying widow(er)		✓	✓	Yes
Exemptions					
6a - d	Exemptions		✓	✓	Yes
Income			See Note 2	See Note 2	
7	Wages, salaries, tips, etc.	W-2	✓	✓	Yes
8a - b	Taxable interest, tax-exempt interest	1099-INT, Sch K-1	✓	✓	Yes
9a - b	Ordinary dividends, qualified dividends	1099-DIV, Sch K-1	✓	✓	Yes
10	Taxable refunds, etc.	1099-G	✓	✓	Yes
11	Alimony received		✓	✓	Yes
12	Business income or (loss)	1099-MISC, Box 7		✓	No
13	Capital gain or (loss)	1099-B		✓	No
15a - b	IRA distributions, taxable amount	1099-R	✓ See Note 5	✓ See Note 3	Yes
16a - b	Pensions and annuities, taxable amount	1099-R, RRB 1099-R	✓ See Note 5	✓ See Note 4	Yes
17	Rental real estate (Military certification only)	1099-MISC, Box 1			No
17	Royalties	1099-MISC, Box 2 & Sch K-1		✓ See Note 6	No
19	Unemployment compensation	1099-G	✓	✓	Yes
20a - b	Social Security benefits, taxable amount	SSA-1099, RRB-1099	✓	✓	Yes

Note 1 • Limitation: Foreign Student certification only for taxpayers with F, J, M & Q visas

Note 2 • Limitation: Military certification only – Combat Zone, Incentive Pay, Re-Enlistment, Education Repayment, Recruitment Bonus



• Limitation: International certification only – Foreign Pay

Note 3 • Limitation: Schedule C – Follow the Schedule C-EZ guidelines, except up to \$10,000 of expenses are allowed and more than one Schedule C can be prepared if the taxpayers have more than one business



Note 4 • Limitation: Wash sales shown on Form 1099-B or brokerage statements only

Note 5 • Limitation: If taxable amount has been determined

Note 6 • Limitation: Only royalty income on Form 1099-MISC, Box 2 and Sch K-1

Form 1040 Line #	Description	Information Reporting Document	 Basic	 Advanced	Can Hotline Assistors Address these Tax Law Topics with VITA/TCE Volunteer?*
21	Other income - varies	1099-MISC, Box 3	✓ See Note 7	✓ See Note 7	Yes (COD is No)
Adjusted Gross Income					
23	Educator expenses	Extender	✓	✓	Yes
24	Certain business expenses of reservists (Military certification only)				No
25	Health savings account deduction (HSA certification only)	5498-SA, 1099-SA, W-2 (Box 12, Code W)	✓ See Note 7		No
26	Moving expenses (Military certification only)				Yes (Job related only)
27	Deductible part of self-employment tax			✓	Yes
30	Penalty on early withdrawal of savings	1099-INT	✓	✓	Yes
31a - b	Alimony paid, recipient's SSN		✓	✓	Yes
32	IRA deduction			✓	Yes
33	Student loan interest deduction	1098-E	✓	✓	Yes
34	Tuitions and fees	Extender	✓	✓	Yes
Tax and Credits					
39a	Check if: blind/born <1/2/1951 Total boxes checked		✓	✓	Yes
39b	If your spouse itemizes on a separate return		✓	✓	Yes
40	Standard deduction		✓	✓	Yes
40	Itemized deductions		✓	✓	Yes
42-44	Exemptions, Taxable income, Tax		✓	✓	Yes
46	Excess APTC repayment	1095-A	✓	✓	Yes
48	Foreign tax credit	1099-INT or 1099-DIV	✓ See Note 8	✓ See Note 8	No
49	Credit for child and dependent care expenses	W-2 and/or Provider Statement	✓	✓	Yes
50	Education credits	1098-T	✓	✓	Yes
51	Retirement savings contributions credit	W-2, Box 12	✓	✓	Yes
52	Child tax credit		✓	✓	Yes
53	Residential energy credit	Extender		✓ See Note 9	No
54	Credit for the elderly or the disabled			✓	Yes

- Note 7 • Limitation: HSA certification only (requires Basic certification or higher) – HSA Distributions
- Limitation: COD for credit cards and home foreclosures (requires Advanced certification)
 - Limitation: International certification only – Foreign earned income exclusion
- Note 8 • Limitation: International certification only if Form 1116 needed
- Note 9 • See Publication 4491-X, current scope of Residential Energy Credits
- Note 10 • Basic certification: automatic calculation only
- Advanced certification or higher: to remove addition to tax

Form 1040 Line #	Description	Information Reporting Document	 Basic	 Advanced	Can Hotline Assistors Address these Tax Law Topics with VITA/TCE Volunteer?*
Other Taxes					
57	Self-employment tax			✓	Yes
58	Unreported social security and Medicare tax from Form 4137 only			✓	No
59	Additional tax on IRAs, other qualified retirement plans, etc.	1099-R	✓ See Note 10	✓ See Note 10	Yes
60b	First time homebuyer credit repayment			✓	Yes
61	Health care: individual responsibility		✓	✓	Yes
Payments					
64	Federal income tax withheld from	W-2 and 1099	✓	✓	No
65	2015 estimated tax payments and amount applied from 2014		✓	✓	Yes
66a	Earned income credit (EIC)		✓	✓	Yes
66b	Nontaxable combat pay election (Military certification only)	W-2, Box 12, Code Q			No
67	Additional child tax credit		✓	✓	Yes
68	American opportunity credit	1098-T	✓	✓	Yes
69	Net premium tax credit	1095-A	✓	✓	Yes
70	Amount paid with request for extension		✓	✓	No
71	Excess social security and tier 1 RRTA	SSA-1099, RRB-1099	✓	✓	Yes
Refund					
75	Amount overpaid		✓	✓	No
76a-d	Bank account information		✓	✓	No
77	Amount you want applied to 2016 estimated tax		✓	✓	No
Amount You Owe					
78	Amount you owe		✓	✓	No
	Third Party Designee		✓	✓	No
	Identity Protection PIN section		✓	✓	No

* If the VITA/TCE Hotline is unable to answer questions related to the tax law topic and you have performed your due diligence in seeking the answer, do not prepare the return. Please refer the taxpayer to a professional return preparer.

VITA/TCE Quality Site Requirements

All taxpayers using the services offered through the Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) Programs should be confident they are receiving accurate tax return preparation and quality service. The purpose of the ten **Quality Site Requirements (QSR)** is to ensure quality and accurate tax return preparation and consistent site operations. The QSR are required to be communicated to all volunteers and partners to ensure IRS and partner mutual objectives are met. The 10 requirements are listed below.

Quality Site Requirements

1. **Certification**
2. **Intake and Interview Process**
3. **Quality Review Process**
4. **Reference Materials**
5. **Volunteer Agreement**
6. **Timely Filing**
7. **Civil Rights**
8. **Site Identification Number**
9. **Electronic Filing Identification Number**
10. **Security, Privacy and Confidentiality**

For additional information refer to Publication 5166, *VITA/TCE Quality Site Requirements* or Publication 1084, *Site Coordinator Handbook*, for more detailed information.

Notes

Legislative Extenders

These provisions were expired at the time this publication went to print. This content is being provided in the event that they are extended for the current tax year. Publication 4491-X, released in mid-January, will notify volunteers if they should consult this tab, and will contain any legislative changes to the following provisions:

Educator Expenses

Tuition and Fees

State and Local General Sales Taxes

Mortgage Insurance Premiums

Residential Energy Credits

Cancellation of Debt – Principal Residence

Educator Expenses

Do not rely on this table alone. Refer to 2013 Publication 17 for more details.

Question	Answer
What is the maximum benefit?	\$250 (or \$500 if married filing jointly and both are educators). Taxpayers may be able to deduct expenses that are more than the limit as a miscellaneous deduction on Schedule A.
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.
What are non qualifying expenses?	Expenses for home schooling or non athletic supplies for courses in health or physical education.
What other issues apply?	Taxpayer must reduce qualified expenses by <ul style="list-style-type: none"> • Excludable U.S series EE and I savings bond interest from Form 8815 • Non taxable qualified tuition program earnings or distributions • Non taxable distribution of earnings from a Coverdell education savings account • Any reimbursements received for expenses that were not reported on the Form W-2

Tuition and Fees Deduction at a Glance

Do not rely on this table alone. Refer to 2013 Publication 17 complete details.

Question	Answer
What is the maximum benefit?	You can reduce your income subject to tax by up to \$4,000.
Limit on modified adjusted gross income (MAGI)	\$160,000 if married filing joint return; \$80,000 if single, head of household, or qualifying widow(er).
Where is the deduction taken?	As an adjustment to income on Form 1040.
For whom must the expenses be paid?	A student enrolled in an eligible educational institution who is either; <ul style="list-style-type: none">• you• your spouse, or• your dependent for whom you claim an exemption
What tuition and fees are deductible?	Tuition and fees required for enrollment or attendance at an eligible postsecondary educational institution, but not including personal, living or family expenses, such as room and board.
What records does the taxpayer need?	Beginning in tax year 2016, the tuition and fees deduction will not be allowed unless the taxpayer possesses a valid information return (Form 1098-T, Tuition Statement) from the educational institution.

Schedule A – Itemized Deductions

State and Local General Sales Taxes/Mortgage Insurance Premiums

US Schedule A		Itemized Deductions	
Name: <input style="width: 300px;" type="text"/>		SSN: _____	
Medical and Dental Expenses			
1	Unreimbursed medical and dental expenses	0.	
2	Amount from Form 1040, line 38	0.	
3	Multiply line 2 by 10%. If the taxpayer or spouse was born before January 2, 1949, multiply line 2 by 7.5% instead	0.	
4	Subtract line 3 from line 1		0.
Taxes You Paid			
5 State and local taxes. Only one box can be checked.			
a	<input type="checkbox"/> Income taxes	0.	
b	<input type="checkbox"/> General sales tax	0.	0.
6	Real estate tax remainder from Form 8829	0.	
	Real estate tax remainder from part rental worksheets	0.	
	Real estate taxes on your principal residence, not listed above	0.	
	Other real estate taxes you paid, not listed elsewhere in this tax return	0.	0.
7	Personal property tax remainder from business vehicle worksheet	0.	
	Personal property taxes, not listed above	0.	0.
8	Other taxes		
	Type	0.	0.
9	Add lines 5 through 8		0.
Interest You Paid			
10	Home mortgage interest remainder from Form 8829	0.	
	Home mortgage interest remainder from part rental worksheets	0.	
	Form 8396 credit, if applicable	0.	
	Home mortgage interest and points from Form 1098, not listed above	0.	0.
11	Home mortgage interest not reported on Form 1098. If paid to an individual, show the person's name, ID number, and address.		
	Individual's name		
	ID number		
	Address		
	Amount	0.	0.
12	Points not reported on Form 1098	0.	0.
13	Total mortgage insurance premiums	0.	
	Allowed mortgage insurance premiums	0.	
14	Investment interest. Attach Form 4952, if required	0.	
15	Add lines 10 through 14		0.

Always Link to sales tax, complete the worksheet, and the software will give the taxpayer the most beneficial deduction. The preparer will need to determine the applicable local rate.

Tip:

Use the online sales tax calculator to determine the sales tax deduction. Go to www.irs.gov and search "Sales Tax Calculator."

If you paid premiums in 2015 for qualified mortgage insurance for a home acquisition debt that was issued after 2006, you can take a deduction for qualified mortgage insurance as home mortgage interest with AGI limitations.

Residential Energy Credits

Part I of Form 5695- Residential Energy Efficient Property Credit, is available for taxpayers who purchased qualified residential alternative energy equipment, such as solar hot water heaters, geothermal heat pumps and wind turbines. This part of the form is out of scope. Taxpayers that have these expenses should be referred to a professional tax preparer.

Part II, Form 5695 - Key points about the Nonbusiness Energy Property Credit:

- A total combined credit limit of \$500 (\$200 limit for windows) for all tax years after 2005.
- The maximum credit for residential energy property costs is \$50 for any advanced main air circulating fan; \$150 for any qualified natural gas, propane, or oil furnace, or hot water boiler; and \$300 for any item of energy-efficient building property.
- The credit applies to:
 - Qualified energy efficiency improvements such as adding insulation, energy-efficient exterior windows and doors, and qualifying metal or asphalt roofs (**does not include labor costs for onsite preparation, assembly or installation**)
 - Qualified residential energy property improvements such as energy-efficient heating and air conditioning systems. For a complete list of items see Form 5695. (**includes labor costs for onsite preparation, assembly, or original installation**)
- The improvements must be made to the taxpayer's main home located in the United States (must be existing home).
- Qualifying improvements must be placed into service by the taxpayer during the tax year.
- Expenditures which are made from subsidized energy financing cannot be used to figure the credit.
- The credit is taken on Part II, Form 5695. See Form 5695 and Instructions for more information.

Note: Not all ENERGY STAR products qualify for a tax credit. For detailed information about qualifying improvements, visit the U.S. Department of [Energy's EnergyStar Web site](#) and the [EnergyStar Frequently Asked Questions site](#).

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



Publication 4731-A
Screening Sheet for Foreclosures/Abandonments and
Cancellation of Debt



If the taxpayer is in bankruptcy, the tax return is out of scope for the VITA/TCE Programs.

Instructions: Use this Screening Sheet to assist taxpayers with Form(s) 1099-A and/or 1099-C with cancellation of debt issues.

- Use Part I for taxpayers with Form 1099-A for a foreclosure or abandonment of their principal residence.
- Use Part II for taxpayers with Form 1099-C, and/or Forms 1099-A and 1099-C resulting from cancellation of debt on a home mortgage loan.
- Use Publication 4731 for taxpayers with Form 1099-C resulting from cancellation of credit card debt.

Part I – Home Mortgage Loan

<p>^{step} 1</p>	<p>Did the taxpayer receive Form 1099-A, Acquisition or Abandonment of Secured Property, from their home mortgage lender?</p>	<p>YES – Go to Step 2 NO – Advise the taxpayer to get the documentation from the home mortgage lender.</p>
<p>^{step} 2</p>	<p>Did the taxpayer ever use the home in a trade or business or as rental property?</p>	<p>YES – Go to Step 6 NO – Go to Step 3</p>
<p>^{step} 3</p>	<p>Is box 5 of Form 1099-A checked indicating a recourse loan in which the taxpayer is personally liable?</p>	<p>YES – The sales price is the lesser of box 2 (Balance of principal outstanding) or box 4 (Fair Market Value of Property) on Form 1099-A. NO – The sales price is the amount in box 2 (Balance of principal outstanding) on Form 1099-A. The taxpayer is not personally liable (non-recourse loan).</p>
<p>^{step} 4</p>	<p>Ask the taxpayer for the cost or basis of the home. Refer to Publication 523, Selling your Home, for further information, if needed.</p>	
<p>^{step} 5</p>	<p>Report the sale of the personal residence on Form 8949 and Schedule D. 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) for a 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. Refer to Publication 4012 (Tab EXT), “Examples: Capital Loss on Foreclosure,” for further information.</p>	
<p>^{step} 6</p>	<p>These tax issues are outside the scope of the volunteer program. Refer the taxpayer to:</p> <ul style="list-style-type: none"> • www.irs.gov for the most up-to-date information. • The Taxpayer Advocate Service (TAS): 1-877-777-4778, TTY/TDD 1-800-829-4059. TAS may help if the problem cannot be resolved through normal IRS channels. • A professional tax preparer. 	<p>Additional Resources:</p> <ul style="list-style-type: none"> • Publication 523, Selling your Home • Publication 525, Taxable and Nontaxable Income • Publication 4681, Canceled Debts, Foreclosures, Repossessions, and Abandonments



Publication 4731-A

Screening Sheet for Foreclosures/Abandonments and Cancellation of Debt



If the taxpayer is in bankruptcy, the tax return is out of scope for the VITA/TCE Programs.

Instructions: Use this Screening Sheet to assist taxpayers with Form(s) 1099-A and/or 1099-C with cancellation of debt issues.

- Use Part I for taxpayers with Form 1099-A for a foreclosure or abandonment of their principal residence.
• Use Part II for taxpayers with Form 1099-C, and/or Forms 1099-A and 1099-C resulting from cancellation of debt on a home mortgage loan.
• Use Publication 4731 for taxpayers with Form 1099-C resulting from cancellation of credit card debt.

Part II - Home Mortgage Loan

Table with 2 columns: Question/Step and Answer/Action. Steps 1-6 cover questions about Form 1099-C, home use, bankruptcy, principal residence indebtedness, and tax relief exclusions. Includes 'Additional Resources' and 'Refer the taxpayer to:' sections.

Examples: Capital Loss* on Foreclosure

Cancellation of Debt Certification is required for this topic.

US Schedule D		Capital Gain or Loss Transactions Worksheet							2012		
1099 column: Enter "A" for transactions reported on Form 1099-B with the basis reported to the IRS, enter "B" for transactions reported on Form 1099-B but the basis is not reported to the IRS, enter "C" for transactions for which you cannot enter A or B.											
* Check if 28% rate gain or (loss).											
(a) Description of property	1 0 9 9	T S J	*	(b) Date acquired	(c) Date sold	(d) Sales price	(e) Cost or other basis	(f) Code	(g) Adjustments to gain or loss	(h) Gain or loss	S / L
MAIN HOME 1099A	C		<input type="checkbox"/>	05/15/2003	10/01/2013	200000	300000	L	100000	0	L
			<input type="checkbox"/>			0	0		0	0	
			<input type="checkbox"/>			0	0		0	0	
			<input type="checkbox"/>			0	0		0	0	
			<input type="checkbox"/>			0	0		0	0	
			<input type="checkbox"/>			0	0		0	0	
			<input type="checkbox"/>			0	0		0	0	

***Loss on personal residence is not deductible.**

TaxWise Hint: To exclude debt forgiven on principal residence, select Form 982 from Add Forms. Complete Line 1e and line 2 (1099-C, Box 2, Amount of Debt Canceled). Line 3 and line 10b will be red (estimated), but can unestimate using F3 in TaxWise desktop or Ctrl-Space in TWO.

Note 1: 1099-C, Box 3 (Interest if included in Box 2, Amount of Debt Canceled) and Box 16 out-of-scope.

Note 2: If a bankruptcy, out-of-scope.

Note 3: If personally liable for the debt, sales price is the lesser of balance of principal outstanding (1099-A, box 2) or fair market (1099-A, box 4); if not personally liable on the debt, sales price is the balance or principal outstanding.

Notes

AFFORDABLE CARE ACT (ACA)

Approaching the ACA

For each person in the tax household:

1	Did this person have coverage all year? If YES: In ACA Worksheet, check "Full" for that person. (See software image on next page) <i>If "Full" is checked for every person on the return, TaxWise will check the box on Form 1040, page 2.</i>
2	Is this person eligible for an exemption for any month without coverage? If YES: In ACA Worksheet, check "Exm" and complete Form 8965.
3	Does this person have no coverage AND no exemption for any month during the year? If YES: In ACA Worksheet, check each month with no coverage AND no exemption. A shared responsibility payment will be calculated for that person for that month. <i>If this person has no coverage AND no exemption in EVERY month of the year, check "None."</i>
4	Did this person have qualifying health plan coverage purchased through the Marketplace? If YES: In ACA Worksheet, check "Mkt" and complete Form 8962.
!	Remember <ul style="list-style-type: none">• Each person in the tax household should be screened individually to determine in which months the person has coverage, is eligible for an exemption, or is subject to a shared responsibility payment.• A tax return claiming zero personal exemptions (a dependent filing his or her own return) should not complete the ACA Worksheet. The dependent's coverage exemption or premium tax credit will be reported on the return of the taxpayer who properly claims his or her dependency exemption.

TaxWise ACA Worksheet

TaxWise Tip

ACA Worksheet must be completed unless the return is being filed by a dependent.

TaxWise ACA Worksheet

	Full	None	Mkt	Exm	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
JOHN SMITH Under age 18 at beginning of month	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
JANE SMITH Under age 18 at beginning of month	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
KATIE SMITH Under age 18 at beginning of month	<input type="radio"/>	<input checked="" type="radio"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Check to indicate if the individual had coverage all year.

Check to indicate if the individual had no coverage **AND** no exemption for all 12 months.

- Do not select "None" for a person who was born or died during the year. The coverage requirement applies only to FULL months alive.
- The coverage requirement for an adopted child applies only to the FULL months after the adoption occurs.
- Do not select "None" if a person had either coverage or an exemption for any month.

Check to indicate if the individual had coverage through the Marketplace for at least one month.
Also complete Form 8962 using Form 1095-A.

Check to indicate if the individual qualifies for an exemption for at least one month.
Also complete Form 8965.

Caution! Check only the months when the person had no coverage **AND** no exemption. These are the shared responsibility payment months.

TaxWise will check these boxes (based on date of birth) to indicate people under age 18, which affects the shared responsibility payment computation.

Caution! This page contains the 2014 TaxWise ACA Worksheet which is being revised. An updated page will be included in Publication 4491X if needed.

TaxWise ACA Worksheet Continued															
Under age 18 at beginning of month	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Under age 18 at beginning of month	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Under age 18 at beginning of month	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Under age 18 at beginning of month	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Under age 18 at beginning of month	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The first 6 lines of the worksheet are calculated fields. Use the non-calculated lines of this worksheet to enter individuals who could be claimed as dependents but are not claimed on this return. Use the override function to check the "under 18" boxes if needed.

TaxWise ACA Worksheet Continued	
6 Sum of the number of boxes checked on line 1 above for the year	0
7 Household income Enter the total modified AGI for any dependent included in this return who is required to file a tax return - F3 if zero	0
8 Filing threshold	0
9 Subtract line 8 from line 7	0
10 Multiply line 9 by 1%	0
11 Is line 10 more than \$285? <input checked="" type="checkbox"/> Yes. Multiply line 10 by the number of months for which line 1 is more than zero. <input type="checkbox"/> No. Amount calculated based on the flat dollar amount worksheet	0
12 Divide line 11 by 12	0
13 Multiply line 6 by \$204	0
14 Smaller of line 12 or line 13	0

Caution: Enter dependent's MAGI only if the dependent has a tax filing requirement. Do not enter the MAGI of taxpayer or spouse as it is already included.

See page ACA-8 for dependents' filing threshold chart.

Caution: This is the Shared Responsibility Payment.

If everyone on the tax return has MEC or qualifies for an exemption for every month the amount on this line should be 0.

Types of Minimum Essential Coverage

DRAFT AS OF

Minimum essential coverage means health care coverage under any of the following programs. It does not, however, include coverage consisting solely of excepted benefits. Excepted benefits include stand-alone vision and dental plans (except pediatric dental coverage), workers' compensation coverage, and coverage limited to a specified disease or illness.

Employer-sponsored coverage:

- Group health insurance coverage for employees under—
 - A governmental plan, such as the Federal Employees Health Benefit program
 - A plan or coverage offered in the small or large group market within a state
 - A grandfathered health plan offered in a group market
- A self-insured health plan for employees
- COBRA coverage
- Retiree coverage

Individual health coverage:

- Health insurance you purchase directly from an insurance company
- Health insurance you purchase through the Marketplace
- Health insurance provided through a student health plan

Coverage under government-sponsored programs:

- Medicare Part A coverage
- Medicare Advantage plans
- Most Medicaid coverage*
- Most Children's Health Insurance Program (CHIP) coverage*
- Most types of TRICARE coverage
- Comprehensive health care programs offered by the Department of Veterans Affairs
- Health coverage provided to Peace Corps volunteers
- Department of Defense Nonappropriated Fund Health Benefits Program
- Refugee Medical Assistance

Other coverage:

- Certain foreign coverage
- Certain coverage for business owners
- Coverage recognized by HHS as minimum essential coverage.**

*Medicaid and CHIP programs that provide limited benefits generally don't qualify as minimum essential coverage; however, HHS will provide a hardship exemption to individuals with certain types of limited-benefit Medicaid and CHIP coverage.

**Plans recognized as minimum essential coverage are listed at: www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Market-Reforms/minimum-essential-coverage.html, scroll down and click on the link for the list of approved plans.

No proof of coverage is needed. Oral statement from the taxpayer is acceptable, unless normal due diligence leads you to believe the taxpayer's statement is incorrect.

Exemptions: Overview

Exemptions: Where do I start?

STEP 1

Does anyone in the tax household already have an exemption in hand from the Marketplace?

Marketplace exemptions require an *application*. If a person applied for an exemption through the Marketplace (or if they were granted an exemption automatically because they were denied Medicaid coverage in a state that did not expand Medicaid), they should have received an Exemption Certificate Number (ECN) from the Marketplace. It is a 6 or 7 digit alphanumeric code.

STEP 2

Is household or gross income under the filing threshold?

If YES, check box 7a or 7b on Form 8965, Part II. Everyone on the tax return is exempt from the coverage requirement, and there is no need to consider additional exemptions. (See page ACA-7 for more information.)

STEP 3

If the family does not qualify for an exemption under Step 2, does any individual qualify for an exemption that can be claimed directly on the tax return?

If YES, enter the exemption code on Form 8965, Part III. (See page ACA-9 for more information.)

STEP 4

For any uninsured individual that does not qualify under Step 2 or 3, does any individual in the tax household qualify for an exemption from the Marketplace?

If YES, direct the person to the Marketplace for additional help. Enter "pending" on Form 8965, Part I, if the Marketplace has not processed the application for exemption before the return is filed. A tax return with a "pending" exemption can still be e-filed. The IRS will follow-up with a taxpayer directly on all Pending submissions if the Marketplace does not approve the exemption.

Form 8965 in TaxWise

Part I: Marketplace-Granted Coverage Exemptions for Individuals
If you and / or a member of your tax household have an exemption granted by the Marketplace, complete Part I. Please note that the lines below marked with * are for e-filing only and will not be included on the printed form.

	a Name of individual	b SSN	c Exemption certificate number
1			
2			
3			
4			
5			
6			
*			
*			

Part II: Coverage Exemptions for Your Household Claimed on Your Return

Filing threshold 20300
 Household income from ACA worksheet 20666
 Estimated gross income entered in this return 20666

7a Are you claiming an exemption because your household income is below the filing threshold? Yes No
 b Are you claiming a hardship exemption because your gross income is below the filing threshold? Yes No

Part III: Coverage Exemptions for Individuals Claimed on Your Return
If you and / or a member of your tax household are claiming an exemption on your return, complete Part III. Please note that the lines below marked with * are for e-filing only and will not be included on the printed form.

a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
Name	SSN	Exemption type	Full year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
8				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Part I: Enter information in Part I only if the individual has an exemption from the Marketplace or is applying for one. Enter "pending" if the Marketplace has not processed the application for exemption before the return is filed.

Part II and Part III: Most exemptions will be entered in Parts II and III.

TaxWise Tip
Form 8965, Part III: Multiple exemptions cannot be indicated on a single line. If a person is eligible for multiple exemptions covering different months, enter his or her name on multiple lines.

Types of Coverage Exemptions

This chart shows all of the coverage exemptions available for 2015, including information about where the coverage exemptions can be obtained and the code for the coverage exemption that is to be used on Form 8965 when you claim the exemption. If your coverage exemption was granted by the Marketplace, you will need to enter the Exemption Certificate Number (ECN) provided by the Marketplace (see the instructions for [Part I](#)).

Coverage Exemption	Granted by Marketplace	Claimed on tax return	Code for Exemption
Income below the filing threshold — Your gross income or your household income was less than your applicable minimum threshold for filing a tax return.		✓	No Code See Part II
Coverage considered unaffordable — The minimum amount you would have paid for premiums is more than 8.05% of your household income .		✓	A
Short coverage gap — You went without coverage for less than 3 consecutive months during the year.		✓	B
Citizens living abroad and certain noncitizens — You were: <ul style="list-style-type: none"> • A U.S. citizen or resident who spent at least 330 full days outside of the U.S. during a 12-month period; • A U.S. citizen who was a bona fide resident of a foreign country or U.S. territory; • A resident alien who was a citizen of a foreign country with which the U.S. has an income tax treaty with a nondiscrimination clause, and you were a bona fide resident of a foreign country for the tax year; • Not lawfully present in the U.S. and not a U.S. citizen or U.S. national. For more information about who is treated as lawfully present for purposes of this coverage exemption, visit healthcare.gov; or • A nonresident alien, including (1) a dual-status alien in the first year of residency and (2) a nonresident alien or dual-status nonresident alien who elects to file a joint return with a spouse. For definitions of resident alien and nonresident alien, see IRS Tax Topic 851 at www.irs.gov/taxtopics/tc851.html. 		✓	C
Members of a health care sharing ministry — You were a member of a health care sharing ministry.	✓	✓	D
Members of Indian tribes — You were either a member of a Federally-recognized Indian tribe, including an Alaska Native Claims Settlement Act (ANCSA) Corporation Shareholder (regional or village), or you were otherwise eligible for services through an Indian health care provider or the Indian Health Service.	✓	✓	E
Incarceration — You were in a jail, prison, or similar penal institution or correctional facility after the disposition of charges.	✓	✓	F
Aggregate self-only coverage considered unaffordable — Two or more family members' aggregate cost of self-only employer-sponsored coverage was more than 8.05% of household income, as was the cost of any available employer-sponsored coverage for the entire family.		✓	G
Resident of a state that did not expand Medicaid — Your household income was below 138% of the federal poverty line for your family size and at any time in 2015 you resided in a state that didn't participate in the Medicaid expansion under the Affordable Care Act.		✓	G
Member of tax household born, adopted, or died — During 2015 a child was added to your tax household by birth or adoption, or a member of your tax household died during the year and you can't check the full-year coverage checkbox on your tax return.		✓	H
Members of certain religious sects — You are a member of a recognized religious sect.	✓		Need ECN See Part I
Determined ineligible for Medicaid in a state that didn't expand Medicaid coverage — You were determined ineligible for Medicaid solely because the state in which you resided didn't participate in Medicaid expansion under the Affordable Care Act.	✓		Need ECN See Part I
General hardship — You experienced a hardship that prevented you from obtaining coverage under a qualified health plan.	✓		Need ECN See Part I
Coverage considered unaffordable based on projected income — You didn't have access to coverage that is considered affordable based on your projected household income.	✓		Need ECN See Part I
Unable to renew existing coverage — You were notified that your health insurance policy was not renewable and you considered the other plans available unaffordable.	✓		Need ECN See Part I
Certain Medicaid programs that are not minimum essential coverage — You were (1) enrolled in Medicaid coverage provided to a pregnant woman that is not recognized as minimum essential coverage; (2) enrolled in Medicaid coverage provided to a medically needy individual (also known as Spend-down Medicaid or Share-of-Cost Medicaid) that is not recognized as minimum essential coverage; or (3) enrolled in Medicaid, and received minimum essential coverage for one or more months of the year by meeting a spend-down, but not in other months because the spend-down had not been met.	✓		Need ECN See Part I

Hardship Exemptions Granted by the Marketplace

- Homelessness
- Eviction in the last 6 months or facing eviction or foreclosure
- Utility shut-off notice
- Domestic violence
- Recent death of a close family member
- Disaster that resulted in significant property damage
- Bankruptcy in the last 6 months
- Significant debt from medical expense in the last 24 months
- High expense caring for ill, disabled or aging relative
- Failure of another party to comply with a medical support order for a dependent child who is determined ineligible for Medicaid or CHIP
- Through an appeals process, determined eligible for a Marketplace QHP, PTC, or CSR but was not enrolled
- Determined ineligible for Medicaid because the state did not expand coverage
- Individual health insurance plan was cancelled and you believe Marketplace plans are considered unaffordable
- Other hardship in obtaining coverage

Exemptions: Form 8965, Part II

Household Exemptions for Income Below Filing Threshold

Exemption Type	Details
Household income below filing threshold (Form 8965, Line 7a)	<p>Household income is the sum of the modified adjusted gross income (MAGI) from the tax return and the MAGI of all dependents required to file a tax return. Use the Filing Requirements for Children and Other Dependents chart (in this tab) to determine whether the dependent is required to file his or her own tax return.</p> $ \text{MAGI} = \text{Adjusted Gross Income (AGI)} + \text{Tax-Exempt Interest} + \text{Excluded Foreign Income} $ <p> Form 1040, Line 37 Form 1040, Line 8b *International certification only Form 2555, Form 2555-EZ </p>
Gross income below filing threshold (Form 8965, Line 7b)	<p>Gross income means all income received in the form of money, goods, property, and services that is not exempt from tax, see definition of gross income on page A-1.</p> <ul style="list-style-type: none"> • Do not include income of any dependents

If either exemption applies, **stop**.
There is no need to consider other exemptions for individual members of the household.

2015 Federal Tax Filing Requirement Thresholds

Filing Status	Age	Must file a return if gross income exceeds
Single	Under 65	\$10,300
	65 or older	\$11,850
Head of Household	Under 65	\$13,250
	65 or older	\$14,800
Married Filing Jointly	Under 65 (both spouses)	\$20,600
	65 or older (one spouse)	\$21,850
	65 or older (both spouses)	\$23,100
Married Filing Separately	Any age	\$4,000
Qualifying Widow(er) with Dependent Children	Under 65	\$16,600
	65 or older	\$17,850

Gross income means all income you received in the form of money, goods, property, and services that is not 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). Include only the taxable part of social security benefits (Form 1040, line 20b; Form 1040A, line 14b). Also include gains, but not losses, reported on Form 8949 or Schedule D. Gross income from a business means, for example, the amount on Schedule C, line 7, or Schedule F, line 9. But, in figuring gross income, do not reduce your income by any losses, including any loss on Schedule C, line 7, or Schedule F, line 9.

2015 Federal Tax Filing Requirement Thresholds – Dependents

If your parent (or someone else) *can* claim you as a dependent, use this chart to see if you must file a return.

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

Single dependents. Were you **either** age 65 or older or blind?

- No.** You must file a return if **any** of the following apply.
 1. Your unearned income was over \$1,050.
 2. Your earned income was over \$6,300.
 3. Your gross income was more than the larger of —
 - a. \$1,050, or
 - b. Your earned income (up to \$5,950) plus \$350.
- Yes.** You must file a return if any of the following apply.
 1. Your unearned income was over \$2,600 (\$4,150 if 65 or older **and** blind).
 2. Your earned income was over \$7,850 (\$9,400 if 65 or older **and** blind).
 3. Your gross income was more than the larger of —
 - a. \$2,600 (\$4,150 if 65 or older **and** blind) or
 - b. Your earned income (up to \$5,950) plus \$1,900 (\$3,450 if 65 or older and blind).

Married dependents. Were you **either** age 65 or older **or** blind?

- No.** You must file a return if **any** of the following apply.
 1. Your unearned income was over \$1,050.
 2. Your earned income was over \$6,300.
 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. \$1050, or
 - b. Your earned income (up to \$5,950) plus \$350.
- Yes.** You must file a return if **any** of the following apply.
 1. Your unearned income was over \$2,300 (\$3,550 if 65 or older **and** blind).
 2. Your earned income was over \$7,550 (\$8,800 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. \$2,300 (\$3,550 if 65 or older **and** blind), or
 - b. Your earned income (up to \$5,950) plus \$1,600 (\$2,850 if 65 or older **and** blind).

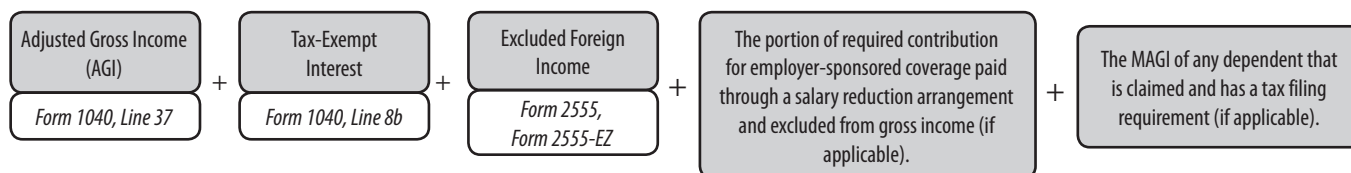
Note: For children under age 18 and certain older children, unearned income over \$2,100 is taxed at the parent's rate if the parent's rate is higher than the child's. For this purpose, "unearned income" includes all taxable income other than earned income, such as taxable interest, ordinary dividends, capital gains, rents, royalties, etc. It also includes taxable social security benefits, pension and annuity income, taxable scholarship and fellowship grants not reported on Form W-2, unemployment compensation, alimony, and income received as the beneficiary of a trust. If the child's unearned income is more than \$2,100, Form 8615 must be used to figure the child's tax. Form 8615 is out of scope.

Exemptions: Form 8965, Part III

Insurance is Unaffordable, Code A or G

Coverage is unaffordable if it costs more than 8.05% of household income. To calculate eligibility for this exemption, the preparer must determine **affordability threshold** and **plan cost**.

Line A: Affordability threshold =



Affordability Worksheet Household Income X 8.05% = (A) Affordability Threshold

Affordability Worksheet

(A) Affordability Threshold
 Enter 8.05% of your household income (see *Household income*). For this purpose, increase household income by the amount of any premium that is paid through a salary reduction arrangement and excluded from gross income.

Line B Plan Cost:

Does the person have an offer* of coverage through an employer?***

YES there is an offer of employer coverage

For the employee	Does the <u>lowest-cost self-only plan</u> offered by the employer cost more than 8.05% of income? (This may be reported on Form 1095-C, if available directly from the employer.) If there was no offer of self-only coverage, go to the next step.	If yes, enter Code A for each applicable month for the employee
For the employee's family	Does the <u>lowest-cost plan that covers everyone in the tax household</u> who is eligible for coverage and is not otherwise exempt cost more than 8.05% of income?	If yes, enter Code A for each applicable month for each member of the employee's tax household (excluding the employee)
If two or more members of the family have offers of employer coverage	Are all of the following true: (1) individual offers of self-only coverage are affordable (i.e., less than 8.05% of household income), BUT (2) <u>their combined cost</u> is greater than 8.05% of household income, AND (3) no family coverage is offered for less than 8.05% of household income?	If yes, enter Code G for the entire year for all members of the tax household.

NO there is not an offer of employer coverage

*COBRA is not considered an offer of employer sponsored coverage if the individual did not enroll in the coverage. If the individual enrolled in the COBRA coverage, s/he has MEC for that month and does not need an exemption.

***If you or another member of your tax household has an offer of employer sponsored coverage for only part of the year, see Form 8965 Instructions for the Annualized Premium Worksheet.

Marketplace Coverage Affordability Worksheet


TIP

If the **lowest cost bronze plan (LCBP)** costs less than 8.05% of income (above), there is an affordable offer of coverage. No Code A exemption is available. (The Marketplace presented affordable coverage and the marketplace affordability exemption does not apply)

LCBP: Go to the taxpayer's Marketplace, such as www.healthcare.gov.

NOTE: The look up tool asks about tobacco use. **Tobacco use** is the use of a tobacco product 4 or more times per week within no longer than the past 6 months by legal users of tobacco products (generally those 18 and older).

The LCBP quote will be for all individuals on the return that did not have an offer of employer coverage and who did not qualify for another exemption. That means that the LCBP would include, for example, the taxpayer and spouse who are on Medicare or Medicaid.



Do not complete this worksheet unless you were instructed to do so in the Affordability Worksheet.

1. Enter the monthly premium for the lowest cost bronze plan that covers everyone in your tax household for whom a personal exemption deduction is claimed, who is not eligible for employer coverage, and who does not qualify for another coverage exemption for the month. To find the lowest cost bronze plan go to the Marketplace for your area	
2. Enter your household income (see <i>Household income</i>)	
3. Enter the total of all nontaxable social security benefits received by you, your spouse, and each claimed dependent who must file a tax return*	
4. Add lines 2 and 3	
5. Enter the federal poverty line for the number of individuals in your tax household less any dependents not claimed. See the instructions for Form 8962, line 4	
6. Divide line 4 by line 5. If the result (without rounding) is less than 1.0 or more than 4.0, skip lines 7 through 10 and enter -0- on line 11.	
7. Multiply line 6 by 100 and round to the nearest whole number. Enter the applicable figure for the result from the table in the instructions for Form 8962, line 7	
8. Multiply line 4 by line 7	
9. Divide line 8 by 12.0	
10. Enter the monthly premium for the second lowest cost silver plan premium that covers everyone in your tax household for whom a personal exemption deduction is claimed, who is not eligible for minimum essential coverage (other than coverage in the individual market), and who does not qualify for another coverage exemption for the month. To find the second lowest cost silver plan go the Marketplace for your area	
11. Subtract line 9 from line 10. If zero or less, enter -0-	
12. Subtract line 11 from line 1. If zero or less, enter -0-. This is the individual's required contribution for the month	
13. Is the individual eligible for this coverage for every month of the year?	
<input type="checkbox"/> Yes. Multiply line 12 by 12.0. This is the annualized premium. Enter this amount in the space for every month on the Affordability Worksheet	
<input type="checkbox"/> No. Use the Annualized Premium Worksheet to determine what the annualized premium would be for each month the individual was eligible for the coverage being tested. Enter the annualized premium in the space for the appropriate months on the Affordability Worksheet	

*If the individual filed Form 1040, figure the nontaxable social security benefits received by that individual by subtracting Form 1040, line 20b from Form 1040, line 20a. If the individual filed Form 1040A, figure the nontaxable social security benefits received by that individual by subtracting Form 1040A, line 14b from Form 1040A, line 14a. If the individual filed Form 1040EZ, he or she should have received a Form SSA-1099 or Form RRB-1099 showing the social security benefits received by that individual, all of which were nontaxable.

For this line on this worksheet, use tax household MAGI for Form 8962 purposes (adjusted gross income + tax exempt interest + excluded foreign earned income). Include MAGI of any claimed dependents with a filing requirement.

Enter the appropriate amount on the Affordability Worksheet as directed. This worksheet will compare the annualized premium to the affordability threshold.

If the annualized premium costs less than 8.05% of income, no exemption applies.

If the annualized premium costs more than 8.05% of income, Code A applies.

Second lowest cost silver plan (SLCSP): Go to the Marketplace at: healthcare.gov/taxes/tools.

Do not include individuals in your tax household that are eligible for other employer sponsored or government sponsored MEC, or who are otherwise exempt.

That means that the SLCSP cost would NOT INCLUDE, for example, the taxpayer and spouse who are enrolled in or eligible for Medicare or Medicaid. (This is different from line 1).

Applicable Figure - used for Line 7 of Marketplace Affordability Worksheet



If the amount on line 5 is less than 133, your applicable figure is 0.0201. If the amount on line 5 is between 300 through 400, your applicable figure is 0.0956.

IF Form 8962, line 5 is ...	ENTER on Form 8962, line 7 ...	IF Form 8962, line 5 is ...	ENTER on Form 8962, line 7 ...	IF Form 8962, line 5 is ...	ENTER on Form 8962, line 7 ...	IF Form 8962, line 5 is ...	ENTER on Form 8962, line 7 ...
less than 133	0.0201	175	0.0518	218	0.0697	261	0.0842
133	0.0302	176	0.0523	219	0.0701	262	0.0845
134	0.0308	177	0.0527	220	0.0704	263	0.0848
135	0.0314	178	0.0532	221	0.0708	264	0.0851
136	0.0320	179	0.0537	222	0.0711	265	0.0854
137	0.0326	180	0.0541	223	0.0715	266	0.0857
138	0.0331	181	0.0546	224	0.0718	267	0.0860
139	0.0337	182	0.0550	225	0.0722	268	0.0863
140	0.0343	183	0.0555	226	0.0726	269	0.0865
141	0.0349	184	0.0560	227	0.0729	270	0.0868
142	0.0355	185	0.0564	228	0.0733	271	0.0871
143	0.0361	186	0.0569	229	0.0736	272	0.0874
144	0.0367	187	0.0574	230	0.0740	273	0.0877
145	0.0373	188	0.0578	231	0.0743	274	0.0880
146	0.0378	189	0.0583	232	0.0747	275	0.0883
147	0.0384	190	0.0588	233	0.0750	276	0.0886
148	0.0390	191	0.0592	234	0.0754	277	0.0889
149	0.0396	192	0.0597	235	0.0757	278	0.0892
150	0.0402	193	0.0602	236	0.0761	279	0.0895
151	0.0407	194	0.0606	237	0.0764	280	0.0898
152	0.0411	195	0.0611	238	0.0768	281	0.0901
153	0.0416	196	0.0615	239	0.0771	282	0.0903
154	0.0421	197	0.0620	240	0.0775	283	0.0906
155	0.0425	198	0.0625	241	0.0778	284	0.0909
156	0.0430	199	0.0629	242	0.0782	285	0.0912
157	0.0434	200	0.0634	243	0.0785	286	0.0915
158	0.0439	201	0.0638	244	0.0789	287	0.0918
159	0.0444	202	0.0641	245	0.0792	288	0.0921
160	0.0448	203	0.0645	246	0.0796	289	0.0924
161	0.0453	204	0.0648	247	0.0799	290	0.0927
162	0.0458	205	0.0652	248	0.0803	291	0.0930
163	0.0462	206	0.0655	249	0.0806	292	0.0933
164	0.0467	207	0.0659	250	0.0810	293	0.0936
165	0.0472	208	0.0662	251	0.0813	294	0.0938
166	0.0476	209	0.0666	252	0.0816	295	0.0941
167	0.0481	210	0.0669	253	0.0819	296	0.0944
168	0.0486	211	0.0673	254	0.0822	297	0.0947
169	0.0490	212	0.0676	255	0.0825	298	0.0950
170	0.0495	213	0.0680	256	0.0828	299	0.0953
171	0.0499	214	0.0683	257	0.0830	300 thru 400	0.0956
172	0.0504	215	0.0687	258	0.0833		
173	0.0509	216	0.0690	259	0.0836		
174	0.0513	217	0.0694	260	0.0839		

Affordability Worksheet (continued)

(B) Required Contribution Amount

For each member of your tax household, enter in the columns provided the annual premium for the first option below that applies to that person. If the monthly premium is the same for the whole year, enter the annual premium in the space for each month. If the premiums cover only part of the year, use the Annualized Premium Worksheet to determine what the annualized premium would be for each month. Once you have figured the annualized premium, enter it in the space for each month.

Options (use the first that applies to each member of your tax household, including you, for each month):

1. The lowest cost self-only policy offered to each member of your tax household by his or her employer.
2. The lowest cost family policy* offered by your employer or your spouse's employer (if you are filing a joint return).
3. The amount from the Marketplace Coverage Affordability Worksheet.

For each individual, coverage is unaffordable and the individual is exempt if (B), the Required Contribution Amount, is greater than (A), the Affordability Threshold.

Members of your tax household (enter one name per column):						
Premium for:						
January						
February						
March						
April						
May						
June						
July						
August						
September						
October						
November						
December						

Use annualized figures for each month in order to compare to the affordability threshold, which is calculated on an annual basis.

*The policy must cover everyone in your tax household:

- * for whom a personal exemption deduction is claimed on your tax return,
- * who is not eligible for employer coverage, and
- * who does not qualify for another coverage exemption.

Federal Poverty Lines

See <http://aspe.hhs.gov/2014-poverty-guidelines>.

For purposes of the premium tax credit, eligibility for a certain year is based on the most recently published set of poverty lines. As a result, the tax credit for 2015 will be based on the 2014 federal poverty lines.

2014 Poverty Lines for the 48 Contiguous States and the District of Columbia			
For families/households with more than 8 persons, add \$4,060 for each additional person (100% Poverty Line)			
Persons in family/household	100% Poverty Line	138% Poverty Line	400% Poverty Line
1	\$11,670	\$16,105	\$46,680
2	\$15,730	\$21,707	\$62,920
3	\$19,790	\$27,310	\$79,160
4	\$23,850	\$32,913	\$95,400
5	\$27,910	\$38,516	\$111,640
6	\$31,970	\$44,119	\$127,880
7	\$36,030	\$49,721	\$144,120
8	\$40,090	\$55,324	\$160,360

2014 Poverty Lines for Alaska			
For families/households with more than 8 persons, add \$5,080 for each additional person (100% Poverty Line)			
Persons in family/household	100% Poverty Line	138% Poverty Line	400% Poverty Line
1	\$14,580	\$20,120	\$58,320
2	\$19,660	\$27,131	\$78,640
3	\$24,740	\$34,141	\$98,960
4	\$29,820	\$41,152	\$119,280
5	\$34,900	\$48,162	\$139,600
6	\$39,980	\$55,172	\$159,920
7	\$45,060	\$62,183	\$180,240
8	\$50,140	\$69,193	\$200,560

2014 Poverty Lines for Hawaii			
For families/households with more than 8 persons, add \$4,670 for each additional person (100% Poverty Line).			
Persons in family/household	100% Poverty Line	138% Poverty Line	400% Poverty Line
1	\$13,420	\$18,520	\$53,680
2	\$18,090	\$24,964	\$72,360
3	\$22,760	\$31,409	\$91,040
4	\$27,430	\$37,853	\$109,720
5	\$32,100	\$44,298	\$128,400
6	\$36,770	\$50,743	\$147,080
7	\$41,440	\$57,187	\$165,760
8	\$46,110	\$63,632	\$184,440

Shared Responsibility Payment

The taxpayer will pay a shared responsibility payment for any month that someone in the tax household does not have Minimum Essential Coverage (MEC) AND does not qualify for a coverage exemption.

First, calculate:

$$\text{Excess Income Amount} = \left[\text{Household Income} - \text{Filing threshold (for primary taxpayer or joint filers)} \right] \times \text{Income percentage (2\% for 2015)}$$

And

$$\text{Flat dollar amount (cannot exceed \$975, which is 300\% of applicable dollar amount for 2015)} = \left[\text{Sum of applicable dollar amounts for all nonexempt individuals without MEC in a given month (\$325 per adult and \$162.50 per child for 2015)} \right] \times \text{Number of months nonexempt individuals do not have MEC}$$

Next, compare:

$$\text{Monthly penalty amount} = \text{1/12 of Excess income amount OR Flat dollar amount (whichever is greater)}$$

Finally, determine:

$$\text{Annual SRP} = \text{Sum of monthly penalty amounts OR Sum of monthly national average bronze plan premiums (whichever is lesser)}$$

Note: The annual SRP amount cannot be greater than the sum of monthly national average bronze plan premiums for coverage appropriate for nonexempt family members without MEC in a given month. The IRS publishes guidance setting forth the monthly national average bronze plan premium and the maximum monthly national average bronze plan premium for each year.

Premium Tax Credit: Overview

See Form 8962 Instructions

Premium Tax Credit: Where do I start?

STEP 1

Indicate on the TaxWise ACA Worksheet if any taxpayer or dependent had coverage through the Marketplace.

Then go to Form 8962.

STEP 2

Did the taxpayer receive one or more Forms 1095-A?

If YES, see the instructions for Form 8962 to determine the amounts from Form 1095-A to enter on Form 8962.

If NO, the taxpayer must call the Marketplace or obtain the information from their online account.

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

Caution: Differences between the individuals covered on Form 1095-A and those being claimed on the return may require a shared policy allocation which is out of scope for the VITA/TCE programs. See page ACA-17 to determine if this situation applies.

Form 1095-A

Month	A. Monthly Premium Amount	B. Monthly Premium Amount of Specified Lowest Cost Silver Plan (SLCSP)	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			
32 December			
33 Annual Totals			

Monthly Premium (column A): These are the total monthly enrollment premiums for the policy in which the individuals are covered. This amount may be lower than the total premiums if the plan includes “extra” benefits (like adult dental). However enrollment premiums reported here may be MORE than the total premiums for the primary coverage if a family member is enrolled in a standalone dental plan that provides pediatric coverage.

SLCSP (column B): If this column is blank, use the SLCSP tool to find the SLCSP that covers all the members of the coverage family in the plan. In some cases, the state will send a table with the information.

SLCSP lookup tools are available at the state Marketplace websites or www.Healthcare.gov. If there was no APTC some states that don’t provide tax tools are reporting an amount in this column that is based on all enrolled individuals and not only individuals in the coverage family. If not all enrolled individuals are in the coverage family and there is an amount in this column use the state Marketplace SLCSP tool, or if the Marketplace does not have a SLCSP tool, call the Marketplace to obtain a correct SLCSP premium.

The amounts in this column are entered on Form 8962, column F (see following page)

Tips

If someone received the benefit of advance payments of the premium tax credit (APTC), you cannot prepare the return without Form(s) 1095-A.

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.

Premium Tax Credit: Form 8962

Form 8962 in TaxWise

US 8962 Premium Tax Credit 2014

Name: [REDACTED] SSN: [REDACTED]

Check here if applying for relief (see instructions)

If married filing separately and not applying for relief, complete lines 1 through 5, skip lines 6 through 8b, and complete lines 9 and 10. When completing lines 11 or 12 through 23, complete only Column F to determine how much you must repay.

Part 1: Annual and Monthly Contribution Amount

1 Family size 1

2a Modified AGI 0

b Enter total of your dependents' modified AGI 0

3 Household income 0

4 Federal poverty line - check the appropriate box for the state you resided in. If you moved during 2014 and you lived in Alaska and / or Hawaii, or if filing jointly and you and your spouse lived in different states, check all of the boxes that apply. The table that results in the highest income will be used.

Alaska Hawaii Other 48 states and DC 0

5 Household income as a percentage of Federal poverty line 0 %

6 Is the result on line 5 less than or equal to 400%? See instructions if result is less than 100%.

Yes. Continue to line 7.

No. You are not eligible to receive the PTC. If you received advance payment of PTC, skip lines 7 and 8 and go to line 9. If you did not receive any advance payment of PTC, stop here.

If the percentage on line 5 is less than 100%, did the taxpayer qualify for the PTC under the requirements in the instructions? Yes. No.

7 Applicable figure from the table in the instructions 0.0000

8a Annual contribution for health care - multiply line 3 by line 7 0

b Monthly contribution for health care - divide line 8a by 12 0

Part 2: Premium Tax Credit Claim and Reconciliation of Advance Payment of Premium Tax Credit

9 Did you share a policy with another taxpayer or get married during the year and want to use the alternative calculation? (see instructions)

Yes. Skip to Part 4, Shared Policy Allocation, or Part 5, Alternative Calculation for Year of Marriage

No. Continue to line 10.

10 Do all Forms 1095-A for your tax household include coverage for January through December with no changes in monthly amounts shown in lines 21 - 32, column A and B?

Annual Calculation

	A Premium amount Form 1095-A line 33A	B Annual premium amount of SLSCP Form 1095-A line 33B	C Annual contribution amount Line 8A	D Annual maximum premium assistance	E Annual premium tax credit allowed	F Annual advance payment of PTC Form 1095-A line 33C
11 Annual totals	0	0	0	0	0	0

Monthly Calculation

	A Monthly premium amount Form 1095-A lines 21 - 32, column A	B Monthly premium amount of SLSCP Form 1095-A lines 21 - 32, column B	C Monthly contribution amount Line 8B or alternative marriage contribution	D Monthly maximum premium assistance	E Monthly premium tax credit allowed	F Monthly advance payment of PTC Form 1095-A lines 21 - 32, column C
12 January	0	0	0	0	0	0
13 February	0	0	0	0	0	0
14 March	0	0	0	0	0	0
15 April	0	0	0	0	0	0
16 May	0	0	0	0	0	0
17 June	0	0	0	0	0	0
18 July	0	0	0	0	0	0
19 August	0	0	0	0	0	0
20 Sept	0	0	0	0	0	0
21 October	0	0	0	0	0	0
22 Nov	0	0	0	0	0	0
23 Dec	0	0	0	0	0	0
24 Total premium tax credit						0
25 Advance payment of PTC						0
26 Net premium tax credit						0

Part 3: Repayment of Advance Payment of the Premium Tax Credit

27 Excess advance payment of PTC 0

28 Repayment limitation 0

29 Excess advance payment premium tax credit repayment 0

Check here if taxpayer is Married Filing Separately but cannot file a joint return because of spousal abuse or abandonment in the last year. See Form 8962 Instructions for details.

If a taxpayer is Married Filing Separately and is not eligible for relief, he/she must repay APTC, subject to the repayment limitation. Enter the APTC amounts in column F.

Line 2b: Enter dependents' MAGI ONLY (not taxpayer or spouse) **IF dependents' gross income is above the filing threshold.** See page ACA-8 for dependents' filing threshold chart.

For purposes of Form 8962, MAGI includes dependents' AGI, Social Security benefits not included in income, tax-exempt interest, and excluded foreign earned income.

Line 6: Even if income is below 100% FPL, check YES if:

- (1) Taxpayer or an individual in taxpayer's tax family enrolled in a qualified health plan through the marketplace and
- (2) APTC was paid for coverage for one or more months, and
- (3) The Marketplace estimated at the time of enrollment that the taxpayer's household income would be between 100%-400% of the FPL for the family size for year of coverage.

—OR—

(1) Taxpayer or an individual in taxpayer's tax family enrolled in a qualified health plan through the Marketplace, and the enrolled individual is a lawfully present individual ineligible for Medicaid due to immigration status.

Line 9: If the following situations apply, a shared policy allocation may be required and the return is out of scope:

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

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 the year and are filing a joint return, and taxpayers were both unmarried as of December 31, 2014
- 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 that must be repaid

Line 11 OR Lines 12-23: Complete line 11 if Form 1095-A shows the same monthly amounts for all 12 months and the taxpayer's SLSCP is the same for each month of the year. Otherwise, complete lines 12-23. Do not complete both.

Caution: Complete only column F if the household income is above 400% of the FPL or if the taxpayer is using filing status married filing separately and an exception does not apply. (F3 in columns A and B to remove red if necessary).

Line 26: The net premium tax credit a taxpayer can claim (the excess of the taxpayer's premium tax credit over APTC).

Line 27: The amount of excess APTC (amount by which APTC exceeds the taxpayer's premium tax credit) that needs to be repaid. Because there is a repayment limitation, all of the excess APTC may not have to be repaid.

Repayment Limitation on APTC		
Income (as % of FPL)	SINGLE Taxpayers Repayment Limitation:	OTHER Taxpayers Repayment Limitation:
Under 200%	\$300	\$600
At least 200% but less than 300%	\$750	\$1,500
At least 300% but less than 400%	\$1,250	\$2,500
400% and above	Full repayment	Full repayment

TIP: In certain situations where a taxpayer's income is slightly above an income repayment threshold, such as over 400% of FPL, consider any adjustments to gross income that the taxpayer may be eligible to claim (e.g. deductible IRA contribution) that may reduce income below the 400% threshold.

TIP: In certain rare circumstances it will be beneficial to file MFS if the spouse's separate income will be below 400% of FPL and will benefit from the repayment limitation.

Shared Policy Allocation

Caution: If this situation applies, the return is out of scope.

Table 3. Shared Policy Allocation—Line 9

Follow Steps 1–3 below to determine which allocation rule to use in Part IV—Shared Policy Allocation , later, to allocate the policy amounts for each qualified health plan identified in the instructions to line 9. For each such policy, if your answer directs you to Part IV, skip directly to the section of the Part IV instructions identified — you do not need to complete the remaining steps below.	
STEP 1	
If	
<ul style="list-style-type: none">You divorced or legally separated from a spouse in 2015; andThe policy covered at least one individual in your tax family AND at least one individual in your former spouse's tax family...	
Then allocate using the rules in Allocation Situation 1. Taxpayers divorced or legally separated in 2015 in Part IV—Shared Policy Allocation . Otherwise, continue to Step 2.	
STEP 2	
If	
<ul style="list-style-type: none">You were married at the end of 2015 but are filing a separate return from your spouse; andThe policy covered at least one individual in your tax family AND at least one individual in your spouse's tax family*...	
Then allocate using the rules in Allocation Situation 2. Taxpayers married at year end but filing separate returns in Part IV—Shared Policy Allocation . Otherwise, continue to Step 3.	
<small>*Also follow these instructions if you meet the rules in Exception 1—Certain married persons living apart or Exception 2—Victim of domestic abuse or spousal abandonment under Married taxpayers, earlier, and a policy covered at least one individual in your tax family AND at least one individual in your spouse's tax family.</small>	
STEP 3	
If	
<ul style="list-style-type: none">No APTC was paid for the policy...	
Then allocate using the rules in Allocation Situation 3. No APTC in Part IV—Shared Policy Allocation . Otherwise, allocate using the rules in Allocation Situation 4. Other situations where a policy is shared between two tax families in Part IV—Shared Policy Allocation .	

Alternative Calculation for Year of Marriage Eligibility

Table 4. Alternative Calculation for Year of Marriage Eligibility

Answer questions 1–5 below to determine whether you may be eligible to elect the alternative calculation for year of marriage.	
1	Were you and your spouse each unmarried on January 1, 2015? <input type="checkbox"/> Yes. Continue to the next question in this table. <input type="checkbox"/> No. You are not eligible to elect the alternative calculation. Check the “ No ” box on Form 8962, line 9, and continue to line 10.
2	Were you married on December 31, 2015? <input type="checkbox"/> Yes. Continue to the next question in this table. <input type="checkbox"/> No. You are not eligible to elect the alternative calculation. Check the “ No ” box on Form 8962, line 9, and continue to line 10.
3	Are you filing a joint return with your spouse for 2015? <input type="checkbox"/> Yes. Continue to the next question in this table. <input type="checkbox"/> No. You are not eligible to elect the alternative calculation. Check the “ No ” box on Form 8962, line 9, and continue to line 10.
4	Was anyone in your tax family enrolled in a qualified health plan before your first full month of marriage? (For example, if you got married on July 15, your first full month of marriage was August.) <input type="checkbox"/> Yes. Continue to the next question in this table. <input type="checkbox"/> No. You are not eligible to elect the alternative calculation. Check the “ No ” box on Form 8962, line 9, and continue to line 10.
5	Was APTC paid for anyone in your tax family during 2015? <input type="checkbox"/> Yes. Continue to Worksheet 3 next to determine whether excess APTC was paid during 2015. If excess APTC was paid, you are eligible to elect the alternative calculation. If the amount you entered on Form 8962, line 5, is 401, do not complete Worksheet 3. See <i>Alternative Calculation for Year of Marriage</i> in Pub. 974 to determine if electing the alternative calculation reduces your repayment amount. <input type="checkbox"/> No. You are not eligible to elect the alternative calculation. Do not complete Part V. If you did not complete Part IV, check the “ No ” box on line 9 and continue to line 10. If you completed Part IV, check the “ No ” box on line 10, skip line 11, and continue to Lines 12 through 23—Monthly Calculation , later.

Caution: Taxpayers may choose to file MFJ or MFS without the alternative calculation, which remains in scope. If the taxpayer is eligible for and elects this alternative calculation, the return is out of scope.



Chart A – For Most People Who Must File

If you **CAN** be claimed as a dependent by another taxpayer, you must file as a dependent whether you are being claimed or not. See Chart B for filing requirements.

If your filing status is...	AND at the end of 2015 you were...*	THEN file a return if your gross income was at least...**
Single	under 65	\$10,300
	65 or older	\$11,850
Married filing jointly***	under 65 (both spouses)	\$20,600
	65 or older (one spouse)	\$21,850
	65 or older (both spouses)	\$23,100
Married filing separately (see the instructions for line 3)	any age	\$ 4,000
Head of household (see the instructions for line 4)	under 65	\$13,250
	65 or older	\$14,800
Qualifying widow(er) with dependent child (see the instructions for line 5)	under 65	\$16,600
	65 or older	\$17,850

* If you were born on January 1, 1951 you are considered to be age 65 at the end of 2015.

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

- Do not include any social security benefits unless
 - (a) you are married filing a separate return and you lived with your spouse at any time in 2015 or
 - (b) one-half of your social security benefits plus your other gross income and any tax-exempt interest is more than \$25,000 (\$32,000 if married filing jointly).
 If (a) or (b) applies, see the instructions for lines 20a and 20b to figure the taxable part of social security benefits you must include in gross income.
- Gross income includes gains, but not losses, reported on Form 8949 or Schedule D.
- Gross income from a business means, for example, the amount on Schedule C, line 7, or Schedule F, line 9. But, in figuring gross income, do not reduce your income by any losses, including any loss on Schedule C, line 7, or Schedule F, line 9.

*** If you did not live with your spouse at the end of 2015 (or on the date your spouse died) and your gross income was at least \$4,000, 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 someone else) *can* claim you as a dependent, use this chart to see if you must file a return.

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

Single Dependents	
Either 65 or over or blind	<p>You must file a return if any of the following apply.</p> <ol style="list-style-type: none"> 1. Your unearned income was over \$2,600 (\$4,150 if 65 or older and blind). 2. Your earned income was over \$7,850 (\$9,400 if 65 or older and blind). 3. Your gross income was more than the larger of — <ol style="list-style-type: none"> a. \$2,600 (\$4,150 if 65 or older and blind) or b. Your earned income (up to \$5,950) plus \$1,900 (\$3,450 if 65 or older and blind).
Under 65 and not blind	<p>You must file a return if any of the following apply.</p> <ol style="list-style-type: none"> 1. Your unearned income was over \$1,050. 2. Your earned income was over \$6,300. 3. Your gross income was more than the larger of — <ol style="list-style-type: none"> a. \$1,050, or b. Your earned income (up to \$5,950) plus \$350.
Married Dependents	
Either age 65 or older or blind	<p>You must file a return if any of the following apply.</p> <ol style="list-style-type: none"> 1. Your unearned income was over \$2,300 (\$3,550 if 65 or older and blind). 2. Your earned income was over \$7,550 (\$8,800 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 — <ol style="list-style-type: none"> a. \$2,300 (\$3,550 if 65 or older and blind), or b. Your earned income (up to \$5,950) plus \$1,600 (\$2,850 if 65 or older and blind).
Under age 65 and not blind	<p>You must file a return if any of the following apply.</p> <ol style="list-style-type: none"> 1. Your unearned income was over \$1,050. 2. Your earned income was over \$6,300. 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 — <ol style="list-style-type: none"> a. \$1,050, or b. Your earned income (up to \$5,950) plus \$350.

Tax for Certain Children who have Unearned Income (Kiddie Tax)

For children under age 18 and certain older children, unearned income over \$2,100 is taxed at the parent's rate if the parent's rate is higher than the child's. For this purpose, "unearned income" includes all taxable income other than earned income, such as taxable interest, ordinary dividends, capital gains, rents, royalties, etc. It also includes taxable social security benefits, pension and annuity income, taxable scholarship and fellowship grants not reported on Form W-2, unemployment compensation, alimony, and income received as the beneficiary of a trust. If the child's unearned income is more than \$2,100, Form 8615 must be used to figure the child's tax. **Form 8615 is out of scope.**



Chart C – Other Situations When You Must File

You must file a return if any of the conditions below apply for 2015.

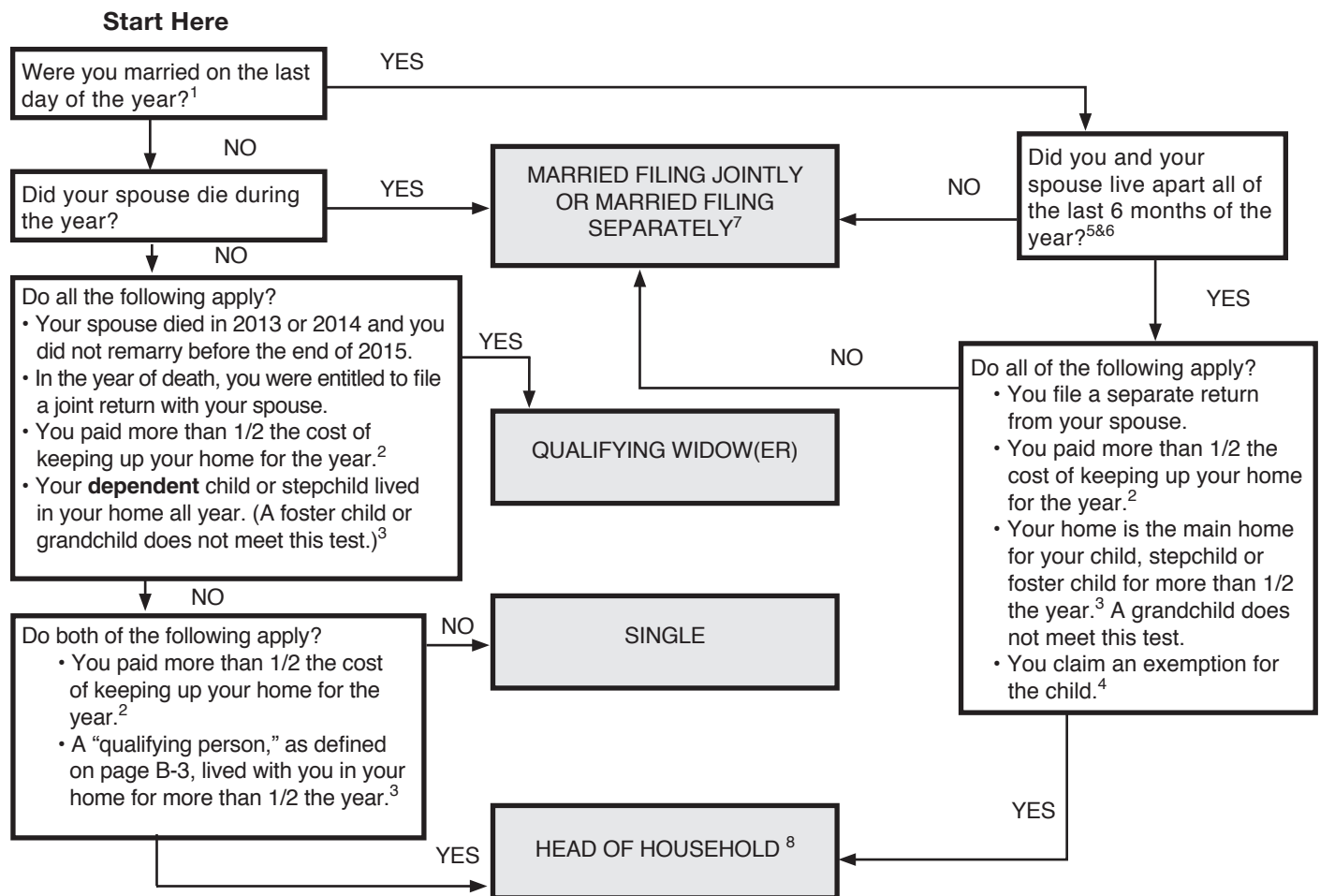
1. You owe any special taxes, including any of the following.
 - a. Alternative minimum tax.
 - b. Additional tax on a qualified plan, including an individual retirement arrangement (IRA), or other tax-favored account. But if you are filing a return only because you owe this tax, you can file **Form 5329** by itself.
 - c. Household employment taxes. But if you are filing a return only because you owe this tax, you can file **Schedule H** by itself.
 - d. Social security and Medicare tax on tips you did not report to your employer or on wages you received from an employer who did not withhold these taxes.
 - e. Recapture of first-time homebuyer credit. See the instructions for line 60b.
 - f. Write-in taxes, including uncollected social security and Medicare or RRTA tax on tips you reported to your employer or on group-term life insurance and additional taxes on health savings accounts. See the instructions for line 62.
 - g. Recapture taxes. See the instructions for line 44 and line 62.
2. You (or your spouse, if filing jointly) received HSA, Archer MSA or Medicare Advantage MSA distributions.
3. You had net earnings from self-employment of at least \$400.
4. You had wages of \$108.28 or more from a church or qualified church-controlled organization that is exempt from employer social security and Medicare taxes.
5. Advance payments of the premium tax credit were made for you, your spouse, or a dependent who enrolled in coverage through the Health Insurance Marketplace. You should have received Form(s) 1095-A showing the amount of the advance payments, if any.



Chart D – Who Should File

1. You had income tax withheld from your pay.
2. You made estimated tax payments for the year or had any of your overpayment for last year's estimated tax applied to this year's taxes.
3. You qualify for the earned income credit. See Publication 596, Earned Income Credit (EIC), for more information.
4. You qualify for the additional child tax credit. See Form 1040 Instructions for more information on this credit.
5. You qualify for the refundable credit for prior year minimum tax. See Form 8801, Credit for Prior Year Minimum Tax – Individuals, Estates, and Trusts. (Out of scope)
6. You qualify for an American Opportunity Credit.
7. You receive a 1099-B and the gross proceeds plus other income exceeds the filing limits in Chart A.
8. You receive Form 1099-S, Proceeds From Real Estate Transactions.
9. You qualify for the federal tax on fuels.

Determination of Filing Status – Decision Tree



Footnotes:

1. Answer "NO" to this question if, on the last day of the year, you were legally separated from your spouse under a divorce or separate maintenance decree. Answer "NO" for individuals who have entered into a registered domestic partnership, civil union, or other similar relationship that is not called a marriage under state (or foreign) law. Answer YES if taxpayer is married regardless of where the spouse lives.
2. Include in the cost of upkeep expenses such as rent, mortgage interest, real estate taxes, insurance on the home, repairs, utilities and food eaten in the home. See "Cost of Keeping Up a Home" worksheet on page B-4.
 - Payments received under TANF or other public assistance programs used to pay the costs of keeping up the home cannot be counted as money you paid. These payments must be included in the total cost of keeping up the home to figure if you paid over 1/2 the cost.
 - Amounts paid out of funds received from SSA in the child's or qualifying person's name, or funds received as governmental assistance are considered to be paid by others, not by you.
3. See Publication 17, *Filing Status*, for rules applying to birth, death, or temporary absence during the year.
4. Unless the child's other parent claims him or her under rules for children of divorced or separated parents or parents who lived apart.
5. Answer "YES" if you are a U.S. citizen or resident alien for the entire year and are married to a nonresident alien who you do not choose to treat as a resident alien for tax purposes.
6. Your spouse is considered to live in your home even if he or she is temporarily absent due to illness, education, business, vacation or military service.
7. If the taxpayer wants to file MFS, emphasize the advantages to Married Filing Jointly and the possibility of filing Form 8379, Injured Spouse Claim & Allocation (if appropriate). See *Pub 17, Filing Status, MFS Special Rules* for list of disadvantages. Respect a taxpayer's decision to file MFS. If domiciled in a community property state see *Pub 555*.
8. Generally, only one taxpayer in a home can claim Head of Household filing status. Just because each person has their own children living in a home does not mean they have a separate "household" for this filing status purpose.

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



Filing Status

interview tips

Probe/Action: Ask the taxpayer:

step 1

Were you married on December 31 of the tax year? (Answer yes if state common law rules were met; or if your spouse died during the year and you did not remarry by the end of the year; 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.)

If YES, go to Step 2.
If NO, go to Step 4.

step 2

Do you and your spouse wish to file a joint return?

If YES, STOP. Your filing status is **married filing jointly**.
If NO, go to Step 3.

step 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 year¹
- Your spouse did not live in your home during the last 6 months of the tax year³
- Your home was the main home of your child, stepchild, or foster child for more than half the year (a grandchild does not meet this test)
- 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**.
If NO, STOP. Your filing status is **married filing separately**⁵.

step 4

Did your spouse die in 2013 or 2014?

If YES, go to Step 5.
If NO, go to Step 6.

step 5

Do all the following apply?

- You were entitled to file a joint return with your spouse for the year your spouse died
- You did not remarry before the end of this tax year
- You have a child or stepchild for whom you can claim an exemption and who lived with you all year, except for temporary absences. Do not include a grandchild or foster child.
- You paid more than half the cost of keeping up the home for the year¹

If YES, STOP. Your filing status is **qualifying widow(er) with dependent child**.
If NO, go to Step 6.

step 6

Do all the following apply?

- You paid more than half the cost of keeping up the home for the year¹
- A "qualifying person," as defined on page B-3, lived with you in your home for more than 1/2 the year⁴

If YES, STOP. Your filing status is **head of household**.⁴
If NO, STOP. Your filing status is **single**.

Footnotes

¹ Include in the cost of upkeep expenses such as rent, mortgage interest, real estate taxes, insurance on the home, repairs, utilities and food eaten in the home. See "Cost of Keeping Up a Home" worksheet on page B-4

• Payments received under TANF or other public assistance programs used to pay the cost of keeping up the home cannot be counted as money you paid. These payments must be included in the total cost of keeping up the home to figure if you paid over 1/2 the cost.

• Amounts paid out of funds received from SSA in the child's or qualifying person's name or funds received as government assistance are considered to be paid by others, not by you.

² Answer "YES" if you are a U.S. citizen or resident alien for the entire year and are married to a nonresident alien who you do not choose to treat as a resident alien for tax purposes.

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

⁴ You cannot 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. May be treated as out of scope.



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

Do NOT use this chart alone. Use as directed by the interview tips on B-2.

IF the person is your . . .	AND . . .	THEN that person is . . .
qualifying child (such as a son, daughter, or grandchild who lived with you more than half the year and meets certain other tests) ²	he or she is single	a qualifying person, whether or not you can claim an exemption for the person.
	he or she is married <u>and</u> you can claim an exemption for him or her	a qualifying person.
	he or she is married <u>and</u> you cannot claim an exemption for him or her	not a qualifying person. ³
qualifying relative ⁴ who is your father or mother	you can claim an exemption for him or her ⁵	a qualifying person. ⁶
	you cannot claim an exemption for him or her	not a qualifying person.
qualifying relative ⁴ other than your father or mother.	he or she lived with you more than half the year, <u>and</u> you can claim an exemption for him or her, <u>and</u> is one of the following: son, daughter, stepchild, foster child, or a descendant of any of them; your brother, sister, half-brother, half-sister or a son or daughter of any of them; an ancestor or sibling of your father or mother; or stepbrother, stepsister, stepfather, stepmother, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law or sister-in-law ⁵	a qualifying person.
	he or she did not live with you more than half the year	not a qualifying person.
	he or she is not related to you in one of the ways listed above <u>and</u> is your qualifying relative only because he or she lived with you all year as a member of your household (for example, a companion or a friend)	not a qualifying person.
	you cannot claim an exemption for him or her	not a qualifying person.

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

² The term “qualifying child” is covered in the Exemptions/Dependency & Main Info tab. **Note:** If you are a noncustodial parent, the term “qualifying child” for head of household filing status does not include a child who is your qualifying child for exemption purposes only because of the rules described under Children of divorced or separated parents. 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 is not a qualifying child for whom you can claim an exemption.

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

⁴ The term “qualifying relative” is covered in the Exemptions/Dependency & Main Info tab.

⁵ If you can claim an exemption for a person only because of a multiple support agreement, that person is not a qualifying person. See Multiple Support Agreement, in Pub 17.

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

Cost of Keeping Up a Home

Keep for Your Records



	Amount You Paid	Total Cost
Property Taxes	\$ _____	\$ _____
Mortgage interest expenses	\$ _____	\$ _____
Rent	\$ _____	\$ _____
Utility charges	\$ _____	\$ _____
Property insurance	\$ _____	\$ _____
Food consumed on the premises	\$ _____	\$ _____
Other household expenses	\$ _____	\$ _____
Totals	\$ _____	\$ _____
Minus total amount you paid		(_____)
Amount others paid		\$ _____

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

Note:

Costs you include. Include in the cost of keeping up a home expenses such as rent, mortgage interest, real estate taxes, insurance on the home, repairs, utilities, and food eaten in the home.

If you used payments you received under Temporary Assistance for Needy Families (TANF) or other public assistance programs to pay part of the cost of keeping up your home, you cannot count them as money you paid. However, you must include them in the total cost of keeping up your home to figure if you paid over half the cost.

Costs you do not include. Do not include the cost of clothing, education, medical treatment, vacations, life insurance, or transportation. Also, do not include the rental value of a home you own or the value of your services or those of a member of your household.



Exemptions

- Exemptions reduce the taxpayer's taxable income
- Exemption Amount: \$4,000
- Two types:
 1. Personal exemptions—one exemption for the taxpayer and, if married, one for his or her spouse; unless either can be claimed as a dependent by another person.
 2. Exemptions for dependents—one exemption for each qualifying child or qualifying relative.
- Apply the rules for exemptions for dependents using the worksheets in the Form 1040 instructions and the interview tips in this publication.
- Taxpayers who **can** be claimed as a dependent on someone else's return cannot claim any exemptions for themselves or their own qualifying child or qualifying relative. This is true even if the other person does not claim the dependent's exemption.

Definitions:

Student: To qualify as a student, your child must be, during some part of each of any 5 calendar months of the year:

1. A full-time student at a school that has a regular teaching staff, course of study, and a regularly enrolled student body at the school, or
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 5 calendar months do not have to be consecutive.

An on-the-job training course, correspondence school, or school offering courses **only** through the Internet does not count as a school for dependency exemption purposes.

Permanently and Totally Disabled: Your child is permanently and totally disabled if both of the following apply.

1. He or she cannot engage in any substantial gainful activity because of a physical or mental condition.
2. A doctor determines the condition has lasted or can be expected to last continually for at least a year or can lead to death.

Custodial and Noncustodial Parent: The custodial parent is the parent with whom the child lived 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.

Foster Child: A foster child is an individual who is placed with you by an authorized placement agency or by judgement, decree, or other order of any court of competent jurisdiction.



interview
tips

Personal Exemptions

Probe/Action: Ask the taxpayer:

step 1	Were you married during any part of the tax year? (Answer YES if state common law rules were met.)	If YES , go to Step 2. If NO , go to Step 7.
step 2	Were you still married on December 31 of the tax year?	If YES , go to Step 5. If NO , go to Step 3. Note: Abandonment does not change marital status—answer YES if the taxpayer’s responses to Steps 3 and 4 are NO.
step 3	Did you obtain a final decree of divorce or separate maintenance by December 31 of the tax year?	If YES , you cannot claim a personal exemption for your former spouse. Go to Step 7 to determine if you can claim your own personal exemption. If NO , go to Step 4.
step 4	Did your spouse die during the tax year? ¹	If YES , go to Step 5. If NO , go back through Steps 1–3 and clarify answers.
step 5	Are you filing a joint tax return?	If YES , go to Step 7. If NO , go to Step 6.
step 6	Did your spouse (including a nonresident alien spouse) have any gross income or can anyone else claim your spouse as a dependent? ²	If YES to either, you cannot claim a personal exemption for your spouse. Go to Step 7 to see about your own personal exemption. If NO to both, you can claim a personal exemption for your spouse. Go to Step 7 to see about your own personal exemption.
step 7	Can anyone claim you (or your spouse if filing jointly) as a dependent on his or her return? ³	If YES , you cannot claim a personal exemption for yourself or your spouse. If NO , you can claim a personal exemption for yourself (and your spouse, if filing jointly).

¹ If his or her spouse died during the year, the taxpayer can claim the spouse’s exemption if the taxpayer did not remarry during the year. See Publication 17 for other considerations.

² If married filing separately, the taxpayer can take his or her own exemption if no other taxpayer is entitled to claim him or her as a dependent.

If married filing separately, the taxpayer can claim his or her spouse’s exemption if the spouse had no gross income, is not filing a return, and cannot be claimed as a dependent on another person’s return.

You can claim an exemption for your nonresident alien spouse on your separate return, provided your spouse has no gross income for U.S. tax purposes, has a SSN or ITIN, and is not the dependent of another U.S. taxpayer.

³ If married filing jointly (other than to claim a refund of income tax withheld or estimated tax paid), the taxpayer cannot be a dependent on another person’s return.



Overview of the Rules for Claiming an Exemption for a Dependent

Caution: This table is only an overview of the rules. For details, see Publication 17.

- You cannot claim any dependents if you, or your spouse if filing jointly, could be claimed as a dependent by another taxpayer.
- You cannot 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 cannot 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 cannot 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 son, daughter, stepchild, foster child, brother, sister, half brother, half sister, stepbrother, stepsister, or a descendant of any of them.	1. The person cannot be your qualifying child or the qualifying child of any other taxpayer. A child is not 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) is not required to file an income tax return or files an income tax return only to get a refund of income tax withheld.
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.	2. The person either (a) must be related to you in one of the ways listed under <i>Relatives who do not have to live with you</i> (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 child must have lived with you for more than half of the year. ²	3. The person's gross income for the year must be less than \$4,000. ³ Gross income means all income the person received in the form of money, goods, property and services, that is not exempt from tax. Do not 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. The child must not have provided more than half of his or her own support for the year. ⁵	4. You must provide more than half of the person's total support for the year. ⁵
5. The child is not 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.	

¹There is an exception for certain adopted children.

²There 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.

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

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

⁵A worksheet for determining support is provided on page C-9. 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 (welfare, food stamps, housing, SSI) are generally considered support provided by the state.



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 as a qualifying child for all of the following tax benefits, unless the special rule for children of divorced or separated parents applies.

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

No other person can take any of the six tax benefits listed above unless he or she has a different qualifying child. If you and any person can claim the child as a qualifying child, the following tiebreaker rules apply. See the example below if no parent claims the 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 do not 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 is not 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 IS NOT YOUR QUALIFYING CHILD FOR ANY OF THE SIX BENEFITS.**

For more details and examples, see Pub. 17 and 501.



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Table 1: Dependency Exemption

Begin with this table for both Qualifying Child and Qualifying Relative dependents.

Probe/Action: Ask the taxpayer:

step 1	Can you or your spouse (if filing jointly) be claimed as a dependent on someone else's tax return this year?	If YES : If you can be claimed as a dependent by another person, you may not claim anyone else as your dependent. If NO : Go to Step 2
step 2	Was the person married as of December 31, 2015?	If YES : Go to Step 3 If NO : Go to Step 4
step 3	Is the person filing a joint return for this tax year? (<i>Answer "NO" if the person is filing a joint return only to claim a refund of income tax withheld or estimated tax paid.</i>)	If YES : You cannot claim this person as a dependent. If NO : Go to Step 4
step 4	Was the person a U.S. citizen, U.S. resident alien, U.S. national, or a resident of Canada or Mexico? (<i>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.</i>)	If YES : Go to Step 5 If NO : You cannot claim this person as a dependent.
step 5	Was the person your son, daughter, stepchild, eligible foster child, brother, sister, half brother, half sister, stepbrother, stepsister, or a descendant of any of them (i.e., your grandchild, niece, or nephew)?	If YES : Go to Step 6 If NO : This person is not your qualifying child. Go to Table 2: Dependency Exemption for Qualifying Relative
step 6	Was the person: -under age 19 at the end of the year and younger than you (<i>or your spouse, if filing jointly</i>) OR -under age 24 at the end of the year, a full-time student (see definition on page C-1) and younger than you (<i>or your spouse, if filing jointly</i>) 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 is not your qualifying child. Go to Table 2: Dependency Exemption for Qualifying Relative
step 7	Did the person live with you as a member of your household, except for temporary absences ² , for more than half the year? (<i>Answer "YES" if the child was born or died during the year.</i>)	If YES : Go to Step 8 (Use Table 3 to see if the exemption for children of divorced or separated parents or parents who live apart applies.) If NO : This person is not your qualifying child. Go to Table 2: Dependency Exemption for Qualifying Relative
step 8	Did the person provide more than half of his or her own support ³ for the year?	If YES : You cannot claim this person as a dependent If NO : Go to Step 9
step 9	Is the person a qualifying child of any other person?	If YES : Go to the chart: Qualifying Child of More Than One Person If NO : You can claim this person as a dependent

Footnotes:

¹ A person is permanently and totally disabled if he or she cannot 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 special circumstances such as illness, education, business, vacation or military service. In most cases a child of divorced or separated parents is the qualifying child of the custodial parent. See Table 3: Children of Divorced

or Separated Parents or Parents Who Live Apart to see if an exception applies. There is an exception for kidnapped children. See Publication 17, Personal Exemptions and Dependents

³ A worksheet for determining support is included later in this section. 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.

Table 2: Dependency Exemption for Qualifying Relative



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

Probe/Action: Ask the taxpayer:

<p>step 1</p>	<p>Is the person your qualifying child or the qualifying child of any other taxpayer? A child is not 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) is not required to file a U.S. income tax return or files an income tax return only to get a refund of income tax withheld.</p>	<p>If YES, the person is not a qualifying relative. (See Qualifying Child Interview Tips.) If NO, go to Step 2.</p>
<p>step 2</p>	<p>Was the person your son, daughter, stepchild, foster child, or a descendant of any of them (i.e., your grandchild)? OR Was the person your brother, sister, half-brother, half-sister, or a son or daughter of any of them? OR Was the person your father, mother, or an ancestor or sibling of either of them? OR Was the person your stepbrother, stepsister, stepfather, stepmother, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law?¹</p>	<p>If NO, go to Step 3. If YES, go to Step 4. Note: The relatives listed in Step 2 are considered "Relatives who do not have to live with you"</p>
<p>step 3</p>	<p>Was the person any other person (other than your spouse) who lived with you all year as a member of your household?²</p>	<p>If NO, you cannot claim this person as a dependent. If YES, go to Step 4. Note: There are exceptions for kidnapped children; a child who was born or died during the year; certain temporary absences—school, vacation, medical care, etc.</p>
<p>step 4</p>	<p>Did the person have gross income of less than \$4,000 in 2015?³</p>	<p>If NO, you cannot claim this person as a dependent. If YES, go to Step 5.</p>
<p>step 5</p>	<p>Did you provide more than half the person's total support for the year?⁴</p>	<p>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.</p>

continued on next page

Footnotes:

¹ Any of these relationships that were established by marriage are not ended by death or divorce.

² A person does not 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 does not 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 is not exempt from tax. Do not 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 A worksheet for determining support is included at the end of this section.

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

If a child receives social security benefits and uses them toward his or her own support, those benefits are considered as provided by the child. Benefits provided by the state to a needy person (welfare, food stamps, housing, SSI), or for a foster child are generally considered support provided by the state.



Table 2: Dependency Exemption for Qualifying Relative

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Continued
Probe/Action: Ask the taxpayer:

step 6	Did another person provide more than half the person's total support?	If YES , you cannot claim an exemption for this person. If NO , go to Step 7.
step 7	Did two or more people together provide more than half the person's total support?	If YES , go to Step 8. If NO , you cannot claim this person as a dependent.
step 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 cannot claim this person as a dependent.
step 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 exemption?	If YES , you can claim this person as a dependent. You must file Form 2120 with your return. If NO , you cannot claim this person as a dependent.

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



(Use this table when directed from Table 1 or Table 2 to determine if the exception applies to the qualifying child residency test or the qualifying relative support test)
Probe/Action: Ask the taxpayer:

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step 1	Did the child receive over half of his or her support from the parents who are: Divorced OR Legally separated under a decree of divorce or separate maintenance OR Separated under a written separation agreement OR Lived apart at all times during the last 6 months of the year?	If YES , go to Step 2. If NO , Table 3 does not apply.
step 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 does not apply.
step 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, a copy of Form 8332, or similar document) releasing his or her claim to the exemption for the child?	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.
step 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? 1. The noncustodial parent can claim the child as a dependent without regard to any condition, such as payment of support. 2. The other parent will not claim the child as a dependent for the year. 3. The years for which the noncustodial parent can claim the child as a dependent. OR The taxpayer has a Pre-1985 decree of divorce or separation maintenance or written separation agreement between the parents that provide that the noncustodial parent can claim the child as a dependent, and the noncustodial parent provides at least \$600 for support of the child during the current tax year?	If YES , the Table 3 exception applies. Return to the appropriate step in Table 1 or Table 2. If NO , Table 3 does not apply.

Footnotes:

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

² **Post-2008 decree or agreement.** If the divorce decree or separation agreement went into effect after 2008, the noncustodial parent cannot 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.

³ Post-1984 and Pre-2009 divorce decrees or agreements:

The noncustodial parent must attach all of the following pages from the decree or agreement.

- Cover page (include the other parent's SSN on that page)
- The pages that include all the information identified in (1) through (3) above
- Signature page with the other parent's signature and date of agreement.

Release of exemption revoked

A custodial parent who has revoked his or her previous release of a claim to exemption for a child must attach a copy of the revocation to his or her return. For the revocation to be effective for 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 do not meet step 4: Non-custodial parents must attach the Form 8332, or a copy of Form 8332 or similar statement to their return.

Worksheet for Determining Support



Funds Belonging to the Person You Supported

1. Enter the total funds belonging to the person you supported, including income received (taxable and nontaxable) and amounts borrowed during the year, plus the amount in savings and other accounts at the beginning of the year **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):
 - 6a. Enter the total rent paid **6a.** _____
 - 6b. 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. Do not 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 **16.** _____
17. Enter the person's total travel and recreation expenses **17.** _____
18. Enter the total of the person's other expenses **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% (.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; do not 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 do not 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. Do not 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 do not meet the support test for this person to be your qualifying relative. You cannot claim an exemption for this person 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 *Multiple Support Agreement*, *Support Test for Children of Divorced or Separated Parents or Parents Who Live Apart*, or *Kidnapped Child* under *Qualifying Relative*.

Note: Taxpayers should keep a completed copy of this worksheet for their records.

Income Quick Reference Guide



This list is a quick reference and volunteers should refer to Publication 17 for more information. Do not rely on this list alone. Some of the income items on this chart are out of scope for VITA/TCE. Refer taxpayers with out of scope income to a professional tax preparer. Confirm that all income received by the taxpayer has been discussed and shown on the return, if required.

Table A – Examples of Taxable Income

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

<p>Wages, salaries, bonuses, commissions Alimony Annuities Awards Back pay Breach of contract payment Business income/Self-employment income Cash income Compensation for personal services Debts forgiven¹ 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 Interest Interest on life insurance dividends IRA distributions Jury duty fees Military pay (not exempt from taxation)</p>	<p>Military pension Nonemployee compensation Notary fees Partnership, Estate and S-Corporation income <i>(Schedule K-1s, Taxpayer's share)</i> Pensions Prizes Punitive damage award Railroad retirement—Tier I (portion may be taxable) Railroad retirement—Tier II Recovery of prior year deduction² (medical, property taxes, etc.) Refunds of State and local income tax (if reportable)² Rents (gross rent) Rewards Royalties Severance pay Self-employment (gross income) Social security benefits - portion may be taxable - <i>(See Income tab, Railroad Retirement, Civil Service, and Social Security Benefits)</i> Supplemental unemployment benefits Taxable scholarships and grants Tips and gratuities Tribal per capita payments Unemployment compensation</p>
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Table B – Examples of Nontaxable Income

(Examples of income items to exclude when determining whether a return must be filed)

<p>Aid to Families with Dependent Children (AFDC) Child support Damages for physical injury (other than punitive) Death payments Dividends on life insurance Federal Employees' Compensation Act payments Federal income tax refunds Gifts Inheritance³ 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</p>	<p>Payments to the beneficiary of a deceased employee Relocation payments Payments in lieu of worker's compensation Rental allowance of clergyman Sickness and injury payments Social security benefits - portion may not be taxable - <i>(See Income tab, Railroad Retirement, Civil Service, and Social Security Benefits)</i> Supplemental Security Income (SSI) Temporary Assistance for Needy Families (TANF) Veterans' benefits Welfare payments (including TANF) and food stamps Worker's compensation and similar payments</p>
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Footnotes: ¹If the taxpayer received a Form 1099-C, Cancellation of Debt, in relation to their main home, it can be nontaxable (see Extenders tab, Screening Sheet for Foreclosures/Abandonments and Cancellation of Debt)

²If itemized in year paid and taxes were reduced because of deduction

³An inheritance is not reported on the income tax return, but a distribution from an inherited pension or annuity is subject to the same tax as the original owner would have had to pay.



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.

Table 1—Included Items

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

<p>Basic pay</p> <ul style="list-style-type: none"> • Active duty • Attendance at a designated service school • Back wages • CONUS COLA • Drills • Reserve training • Training Duty <p>Special pay</p> <ul style="list-style-type: none"> • Aviation career incentives • Career sea • Diving duty • Foreign duty (outside the 48 contiguous states and the District of Columbia) • Foreign language proficiency • Hardship duty 	<p>Special pay (cont.)</p> <ul style="list-style-type: none"> • Hostile fire or imminent danger • Medical and dental officers • Nuclear-qualified officers • Optometry • Pharmacy • Special compensation for assistance with activities of daily living (SCAADL) • Special duty assignment pay • Veterinarian • Voluntary Separation Incentive <p>Bonus pay</p> <ul style="list-style-type: none"> • Career status • Enlistment • Officer • Overseas extension • Reenlistment 	<p>Other pay</p> <ul style="list-style-type: none"> • Accrued leave • 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 year's service (requirement) is not attributable to a combat zone <p>Incentive pay</p> <ul style="list-style-type: none"> • Submarine • Flight • Hazardous duty • High altitude/Low altitude (HALO)
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Table 2—Excluded Items

The exclusion for certain items applies whether the item is furnished in kind or is a reimbursement or allowance. There is no exclusion for the personal use of a government-provided vehicle.

<p>Combat zone pay</p> <ul style="list-style-type: none"> • Compensation for active service while in a combat zone • Note: Limited amount for officers <p>Other pay</p> <ul style="list-style-type: none"> • Defense counseling • Disability, including payments received for injuries incurred as a direct result of a terrorist or military action • 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 • Uniforms furnished to enlisted personnel <p>Death allowances</p> <ul style="list-style-type: none"> • Burial services • Death gratuity payments to eligible survivors • Travel of dependents to burial site 	<p>Family allowances</p> <ul style="list-style-type: none"> • Certain educational expenses for dependents • Emergencies • Evacuation to a place of safety • Separation <p>Living allowances</p> <ul style="list-style-type: none"> • 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) <p>Moving allowances</p> <ul style="list-style-type: none"> • Dislocation • Military base realignment and closure benefit (the exclusion is limited as described above) • Move-in housing • Move household and personal items • Moving trailers or mobile homes • Storage • Temporary lodging and temporary lodging expenses 	<p>Travel allowances</p> <ul style="list-style-type: none"> • Annual round trip for dependent students • Leave between consecutive overseas tours • Reassignment in a dependant restricted status • Transportation for you or your dependents during ship overhaul or inactivation • Per diem <p>In-kind military benefits</p> <ul style="list-style-type: none"> • Dependent-care assistance program • Legal assistance • Medical/dental care • Commissary/exchange discounts • Space-available travel on government aircraft
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TaxWise® Entries

The following are examples of items to consider in determining entries into TaxWise®:

Item	1040 Line	Link from the 1040
CSA 1099-R, Civil Service Annuity Paid	16	Link to Form 1099-R
CSF 1099-R, Statement of Survivor Annuity Paid	16	Link to Form 1099-R
K-1, (Form 1065, 1120, 1041) Capital gains or losses	13	Link to Sch D (Line 5 for short-term, Line 12 for long-term) then to scratch pad.
K-1, (Form 1065, 1120, 1041) Dividend income	9a	Select Dividend Stmt from Forms Tree or link to Sch B then to Dividend Stmt
K-1, (Form 1065, 1120, 1041) Interest income	8a	Select Interest Stmt from Forms Tree or link to Sch B then Interest Stmt
K-1, (Form 1065, 1120, 1041) Royalty income	17	Link to Sch E Line 4
K-1, (Form 1065, 1120, 1041) Tax exempt income	8b	Link to Sch B then Interest Stmt
RRB 1099 Railroad Retirement Benefits (Tier 1)	20	Link to Wkt 1
RRB 1099-R Railroad Retirement Benefits (Tier 2)	16	Link to Form 1099-R
SSA-1099 Social Security Benefits	20	Link to Wkt 1
W-2 Wages & Salaries	7	Link to Form W-2
W-2G Gambling Winnings	21	Link to Wkt 7 then Form W-2G
1098 Mortgage Interest Statement	40	Link to Sch A
1098-E Student Loan Interest	33	Link to Wkt 2
1098-T Tuition Statement		Complete the rest of the return, then see Education Benefits Tab
1099-B Proceeds from Broker and Barter Exchange	13	Link to Sch D then to Form 8949 then to Cap Gn Wkt
1099-DIV Dividends	9	Link to Sch B then to Dividend Stmt
1099-G State Tax Refund	10	Answer question on 1040. If yes, link to State Tax Refund Wkt
1099-G Unemployment Compensation	19	Link to Form 1099G Worksheet
1099-INT Interest Income	8	Link to Sch B then Interest Stmt
1099-MISC Line 2 Royalties	17	Link to Schedule E for royalties from oil & gas interest only. If from services (acting, author etc.) enter on Sch C or C-EZ.
1099-MISC Line 3 Other Income	21	Link to worksheet (Wkt 7)
1099-MISC Line 7 Non-employee Compensation	12	Link to Sch C or C-EZ then to 1099 MISC (See note 2.)
1099-R IRA Distributions	15	Link to Form 1099-R
1099-R Pension Distributions	16	Link to Form 1099-R
1099-R Retirement	16	Link to Form 1099-R
Alaska Permanent Fund	21	Link to Wkt 7
Alimony Paid	31a	No link needed
Alimony received	11	No link needed
Business Income	12	Link to Sch C or C-EZ
Capital Gains Distributions	9	Link to Sch B then to Dividend Stmt (Enter amount in capital gains column)
Cash Income for a Business	12	Link to Sch C or C-EZ from line 1 then to a scratch pad
Cash Income for Other than a Business	21	Link to Wkt 7
Charitable Contributions	40	Link to Sch A then to Sch A Detail
Child and Dependent Care expenses	49	Link to Form 2441
Child Tax Credit	52	Automatically calculated
Dividend Income	9a	Link to Sch B then to Dividend Stmt
Early Withdrawal Penalty	30	Link to Sch B then to Interest Stmt
Education Expenses	50	Complete the rest of the return then see Education Benefits Tab

Item	1040 Line	Link from the 1040
Estimated Tax payments for the tax year	65	Link to F/S Tax Pd worksheet
First Time Home Buyer Credit (Repayment)	60b	Link to Form 5405
Foreign Tax Credit	48	Link to Form 1116 and enter amount in first paragraph
Gambling Winnings	21	Link to Wkt 7; then Form W-2G
Gambling Losses		Add losses at bottom of W-2G. If no W2-G add losses to Sch A line 28.
Health Savings Account	25	Link to Form 8889
Household Employee Income (no W-2)	7	Link to Wkt 1
Interest Income	8	Link to Sch B then to Interest Stmt
IRA Contributions	32	Link to IRA worksheet
IRA Distributions	15	Link to Form 1099R
IRA Rollover	15	Link to Form 1099-R showing the distribution and use Exclusion Worksheet to show rollover. Check the box on 1040 Line 15 then link to rollover explanation.
Jury Duty Pay	21	Link to Wkt 7
Jury Duty Paid to the Employer	36	No link needed
Medical and Dental Expenses	40	Link to Sch A then detail
Mileage for Charitable Travel	40	Link to Sch A then detail
Mileage for Medical Travel	40	Link to Sch A then detail
Mortgage Interest and Points Paid	40	Link to Schedule A
Other Income (prizes, jury duty, etc.)	21	Link to Wkt 7
Pension Distributions	16	Link to Form 1099R
Personal Property Taxes	40	Link to Schedule A Line 7
Prizes and Awards	21	Link to Wkt 7
Real Estate Taxes	40	Link to Schedule A Line 6
Refunds of State and local income tax (if reportable)	10	Link to State tax refund worksheet
Retirement Savings Credit	51	Link to Form 8880
Roth IRA Contributions	32	Link to IRA worksheet
Royalties (Simple royalties with no associated expenses)	17	Link to Sch E
Royalties from Services	12	Link to Sch C Line 1 then to 1099-MISC
Self-employment income	12	Link to Schedule C Line 1 then to 1099-MISC or scratchpad
Social Security Benefits	20	Link to Wkt 1
Stock Sales (Gains and Losses)	13	Link to Sch D Form 8949 then Cap Gn Wkt
Student Loan Interest	33	Link to Wkt 2
Tip income (not shown on W-2)	58	Link to Form 4137
Traditional IRA Contributions	32	Link to IRA worksheet
Tribal Per Capita Payments	21	Link to Wkt 7 Line 2 then to 1099-MISC
Unemployment Compensation - Current Year	19	Link to form 1099-G
Wages & Salaries	7	Link to Form W-2

Note 1: If the applicable form is in the Forms Tree, it may be selected directly rather than linking from Form 1040.

Note 2: For nonemployee compensation that is related to a business, it is important to link to Schedule C or C-EZ and then to Form 1099-MISC. If the taxpayer is not in that business, then this income should be reported on Line 21. Any taxpayer that receives less than \$600 may not receive a Form 1099-MISC but must still report the income.

TIP: If any income reported on an IRS income document is not included in the tax return because it is not taxable, complete the "Regulation Explanation," the "Election Explanation," or the "PrepNotes" form to explain the situation.

How/Where to Enter Income

Select "1040 Pg 1" from the tree

Note: Link to access the appropriate entry form. Once you link, use existing forms (if applicable) prior to adding a new form.

The screenshot displays the 'Income' section of a tax software interface. It lists various income sources from line 7 to 22. Each line item has a corresponding input field, many of which are currently set to '0.'. Callouts with arrows point to specific lines and provide instructions on where to enter the data or which forms to link to. For example, line 7 is linked to Form W-2, line 8a to Form 4137, and line 10 to a state tax refund worksheet. A box on line 10 asks if the taxpayer itemized deductions and received state or local tax refunds. Line 22 is the 'Total income' line, which includes a sub-field for '(Earned: 0.)'.

- ¹ List state refund only if taxpayer itemized deductions (on Schedule A) last year and taxes were reduced because of deductions for income tax. If your state has a sales tax, sales tax in worksheet should not be zero. See sales tax calculator on irs.gov.
- ² For taxpayers with Form 1099-MISC with nonemployee income, (Box 7) link from line 12 to Schedule C or Schedule C-EZ and then link to Form 1099-MISC from line 1. Entering the information this way will automatically calculate self-employment tax.

Use **Add Form** feature to complete Form 2555 or Form 2555-EZ, if applicable. The exclusion amount will be calculated by TaxWise® and entered as a negative number on line 21 of Form 1040.

International Certification Only If taxpayer has income from a foreign employer, link from line 7 to Form FEC-Foreign Employer Compensation. Enter the taxpayer's address at the time the money was earned. For Section e, TaxWise® Help can be used to determine the appropriate country code. Enter the foreign employer's information. List the compensation amount in U.S. dollars. Once you enter the information, TaxWise® automatically reports the total on line 7 of Form 1040. If the taxpayer qualifies to claim the Foreign Earned Income Exclusion, Form 2555 or Form 2555-EZ can be filed electronically. The maximum Foreign Earned Income Exclusion is \$100,800 for 2015. The foreign housing exclusion is \$44.19 per day or \$16,128 for the year.

Form W-2 Instructions

US W-2 Wage and Tax Statement

This W2 statement is for the: Taxpayer Spouse

Employee's name: _____ Employee's SSN: _____

Check if this W2 is handwritten, altered, or appears not to be a true W-2.
 Check if this is the taxpayer's address shown on the W-2 or
 Check and make changes to the U.S. address or foreign address below.

U.S. address _____
 Zip code, city, and state _____
 Foreign street address _____
 Foreign city _____
 Foreign province / state _____
 Foreign Zip code _____
 Foreign country code _____

Please verify the Federal withholding, social security withholding, and Medicare withholding. The amounts exceed the Publication 15 guidelines.
 Check to take calculations off of lines 3, 4, 5, and 6.
 Check to take calculations off of line 16, state wages.
 The taxpayer / spouse ID number listed on the Main Information Sheet is an ITIN. Enter the ID number (SSN or ITIN) as it is shown on the actual W-2 _____

a Control number: _____ Corrected W2 (W-2C):

b Employer ID: Name code: _____	1 Wages, tips, etc. _____ 0.	2 Federal tax withheld _____ 0.
	3 Social security wages _____ 0.	4 Social security tax withheld _____ 0.
c Employer's name Employer's U.S. address _____ _____ Employer's Zip code, city, and state _____ _____ Employer's foreign address _____ Employer's foreign city _____ Employer's foreign province / state _____ Employer's Zip code and country code _____ -	5 Medicare wages _____ 0.	6 Medicare tax withheld _____ 0.
	7 Social security tips _____ 0.	8 Allocated tips _____ 0.
	9 _____	10 Dependent care benefits _____ 0.
	11 Nonqualified plans _____ 0.	

Tip: If there is more than one Form W-2, select the Copy W-2 tab. In TWO, click on + sign beside last completed W-2 in Tree.

Select W-2 for Taxpayer or Spouse

Compare this address to Form W-2 address. If same, check second box. If different, check third box and enter address exactly as it appears on Form W-2.

Amounts entered in boxes 7 and 12 will cause the calculated entries 3, 4, 5, 6 and 16 to change. Be sure to enter all non-calculated entries on the Form W-2 first. Then, if boxes 3, 4, 5, 6, or 16 do not match taxpayer's Form W-2, check fifth or sixth box and enter data exactly as it appears on Form W-2.

If taxpayer has an ITIN, enter SSN shown on original W-2.

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

If there is an entry in Box 10, Form 2441 must be completed.

If a Form W-2 cannot be obtained from the employer, link from Box 1 to Form 4852 to create a substitute W-2.

Form W-2 ALERT!

IRS requires that information on electronically filed Form(s) W-2 match the printed Form(s) W-2 exactly. Verify tax year, taxpayer name/SSN, and employer carry forward information.

A taxpayer with multiple Forms W-2 could possibly have a different address on several, if not all, of the Forms W-2.

Check them carefully; the change must be made on every Form W-2 that is different from the current address.

Form W-2 Instructions (cont.)

12 Code Amount YY ->Year			14 Other		Qualifies for Form 8880	
—	0.	—	Type	Amount	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
—	0.	—		0.		
—	0.	—		0.		
—	0.	—		0.		
—	0.	—		0.		
13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third party sick pay <input type="checkbox"/>			RR = Railroad; T = Tier RRT1: 0. RRT2: 0. RRTM: 0.			
15 State	State ID number	16 State wages	17 State tax	18 Local wages	19 Local tax	20 Local name
—		0.	0.	0.	0.	
—		0.	0.	0.	0.	
—		0.	0.	0.	0.	
—		0.	0.	0.	0.	

Instructions for W2

Nontaxable combat pay
Amount excluded from income by reason of section 112 0.

Statutory employees
 Check if you are going to use Schedules C or CEZ to report this income. This will prevent this W2 from adding in to line 7 of page 1 of any 1040 form. You must go to Schedule C or CEZ and insert the amount.

State exclusion: See state instructions, included with each state, before checking these boxes. Instructions vary by state. Example: Some states will only allow an exclusion for military pay if the employee is stationed out of state.
 Check if this W2 is from: Military National Guard

Ministerial income
 Check if this W2 is ministerial income and Schedule SE will be used.

California W2s only
 See CA instructions. SDI literal: _____ SDI amount: _____ 0.

Enter codes and amounts in boxes 12 and 14 exactly as they appear on the W-2. If there are more than 4 items in box 12, enter those items that do not impact the return in box 14 such as code DD..

Be sure to check box 13 as indicated on Forms W-2. This is important in calculating the deductibility of IRA contributions.

IMPORTANT!
 The most current address entered in MAIN INFO will not be affected and will remain the current address for the taxpayer(s).

Form W-2 Reference Guide for Common Box 12 Codes

- | | |
|--|--|
| <p>A Uncollected social security or RRTA tax on tips</p> <p>B Uncollected Medicare tax on tips</p> <p>D Elective deferrals to a section 401 (k) cash or deferred arrangement</p> <p>E Elective deferrals under a section 403 (b) salary reduction agreement</p> <p>G Elective deferrals and employer contributions (including nonelective deferrals) to a section 457 (b) deferred compensation plan</p> <p>J Nontaxable sick pay</p> <p>P Excludable moving expense reimbursements paid directly to employee</p> | <p>Q Nontaxable combat pay</p> <p>T Adoption benefits</p> <p>W Employer contributions (including amounts the employee contributes through a cafeteria plan) to your health savings account</p> <p>AA Designated Roth contributions under a section 401 (k) plan</p> <p>BB Designated Roth contributions under a section 403 (b) plan</p> <p>DD Cost of employer-sponsored health coverage</p> <p>EE Designated Roth contributions under a governmental section 457 (b) plan</p> |
|--|--|

How to Enter Tip Income

Form 4137:

- Entering allocated tips on Form W-2 will create a Form 4137 in the forms tree.
- If the taxpayer has only tips that were reported to the employer and allocated tips on Form W-2, TaxWise® will complete Form 4137 automatically.
- If the taxpayer has only unreported tips that do not appear on Form W-2, manually open a Form 4137.

Allocated tips from Form W-2, box 8, will carry over to line 4 and TaxWise® will compute the Medicare and Social Security taxes.

How to Enter Unreported Tips:

- If the employer's name does not appear on line 1, use the override function and enter it manually.
- If the taxpayer has a tip log that shows an amount different from the amounts reported on Form W-2, override line 4 and enter the taxpayer's actual amount.
- If the taxpayer did not have any allocated tips, enter the TP's unreported tip amount on line 4.
- If the taxpayer received tips that were not reported to the employer because they were less than \$20 a month, enter the amount on line 5. This amount should also be included on line 4 with any other unreported and allocated tips.

Unreported tips will display on line 7 of Form 1040. In TaxWise®, Form 4137 figures the employee portion of social security and Medicare taxes; these will display as Other Taxes on Form 1040.

US 4137		Social Security Tax on Unreported Tip Income	
Name: _____		SSN: _____	
1	a	b	c
	Name of employer(s) to whom you were required to, but did not report all your tips	EIN	Total cash and charge tips you received (including unreported tips)
			Total cash and charge tips you reported to your employer
a	_____	_____	0.
b	_____	_____	0.
c	_____	_____	0.
d	_____	_____	0.
e	_____	_____	0.
2	Total cash and charge tips received this year. Total of line 3 + line 4		0.
3	Total cash and charge tips reported to your employer. W2 social security tips		0.
4	Unreported tips. Allocated tips from W2 or F8 to enter the amount you wish		0.
5	Cash and charge tips you received but did not report to your employer because the total was less than \$20 in a calendar month		0.
6	Unreported tips subject to Medicare tax		0.
7	Maximum amount of wages (including tips) subject to social security tax	117,000.	
8	Total social security wages and social security tips, total of boxes 3 and 7 on Forms W2, or railroad retirement tier 1 compensation subject to the 6.2% rate	0.	0.
9	Subtract line 8 from line 7. If line 8 is more than line 7, enter -0- here and on line 10 and go to line 12		117,000.
10	Unreported tips subject to social security tax. Smaller of line 6 or line 9. If you received tips as a Federal, state, or local government employee, see instructions. Tips subject to Medicare tax only	0.	0.
11	Multiply line 10 by .062		0.
12	Multiply line 6 by .0145		0.
13	Add lines 11 and 12		0.

This facsimile form is not approved for filing directly to the IRS.
Print IRS form using "Print Return" or "Print Current Form".

Schedule B – Interest

Enter mortgage interest received directly on Schedule B.

Name will be red when it is first entered on Sch B. Once an entry is made on line 1b, the red will disappear.

Do not make entry directly on line 1b; Link to Interest— Stmt

Caution: Must have ID number of payer to e-file the return.

US Schedule B		Interest and Ordinary Dividends	
Name: _____		SSN: _____	
Part I: Interest			
1a Seller-financed mortgages			
Interest income from seller-financed mortgages and the buyer used the property as a personal residence. Show the buyer's name, address, and social security number.			
Name: _____		ID number: _____	
Address: _____		Amount: 0. 0.	
State information for seller-financed mortgage interest			
Joint amount: 0.		Spouse amount: 0.	
Other interest			
Payer. If the payer is a brokerage firm, list the firm's name as the payer.			
		Amount	
b _____		0.	
c _____		0.	
d _____		0.	
e _____		0.	
f _____		0.	
g _____		0.	
*The interest from Schedules K-1 transfers to line g. If you are using the interest statement, check here <input type="checkbox"/> AND manually enter: 0. for the taxpayer and 0. for the spouse on the statement as K-1 interest.			
Subtotal		0.	
These amounts reduce taxable interest income.			
Nominee distributions (N)		0.	
Accrued interest (A)		0.	
OID adjustments (O)		0.	
ABP adjustments (B)		0.	
2 Add the amounts on line 1		0.	
3 Excludable interest on series EE and I U.S. savings bonds issued after 1989 from Form 8815		TSJ: 0.	
4 Subtract line 3 from line 2		0.	

Interest Statement for Schedule B, Line 1b Interest Received

Enter amounts from each 1099-INT on a separate line. If there is more than one amount on a 1099-INT, you may put them all on one line or on separate lines. Use only one interest statement to record all interest income.

US Schedule B		Interest Received					2014		
Amounts shown in Box 8 should not be entered in the "Box 1 or 3 amount" column. Instead, enter an "E" in the "NAEOB column" and the amount from Box 8 in the "NAEOB amount" column.									
Payer	Box 1 or 3 amount	TSJ	State adjust +/-	Amount	NAE OB	NAEOB amount	AMT PAB	Early penalty	Federal withheld
Fully taxable	100			0		0	0	0	0
OID-not bought/sold	200			0		0	0	0	0
US savings bond	300		-	300		0	0	0	0
US Govt obligation	400		-	400		0	0	0	0
In-state muni bond	0			0	E	500	0	0	0
OutOfState muni bond	0		+	600	E	600	0	0	0
	0			0		0	0	0	0
	0			0		0	0	0	0

Enter the name of payer, abbreviate as needed to fit on line (approximately 20 characters). Do not use punctuation.

Enter amount from Form 1099-INT, box 1 or box 3.

Enter amount from Form 1099-INT, box 9. Interest on private activity bonds is used to calculate alternative minimum tax (AMT). If AMT is greater than zero, the return is out of scope.

Enter amount from Form 1099-INT, box 2.

Enter amount from Form 1099-INT, box 4.

Enter interest from K-1 directly on Interest Statement (for example, "ABC Company K-1").

Additional Interest, NAEOB and State Adjustment Entries

TSJ (T= Taxpayer, J=Joint, S=Spouse) column: annotating who received interest is important for state tax purposes.

State Adjustment column: **IMPORTANT—When a state return has been selected on the Main Information Screen, the entries are transferred directly to the state return. If state tax law treats the interest differently, an adjustment has to be made in the State adjust column.**

NAEOB column: Enter:

- N – Nominee interest—Interest transferred to another person—out of scope
- A – Accrued interest—Interest paid to seller at time of purchase—out of scope
- E – Federal tax exempt interest (from municipal bonds)
- O – OID adjustment – Do not use this code for interest reported on Form 1099-OID. This code is only used when the OID instrument was bought or sold during the year. In that case, the return is out of scope.
- B – Amortized bond premium—out of scope

Interest on U.S. government obligations (such as savings bonds, treasury bonds/bills/notes) is taxable on the federal return but is NOT taxable on the state return (third and fourth line in screen shot above).

Interest on in-state municipal bonds is NOT taxable on the federal and state returns (fifth line in screen shot above).

Interest on out-of-state municipal bonds is NOT taxable on the federal return BUT is taxable on the state return (sixth line in screen shot above).

TAX TIP: First, complete the interest statement for the federal return only. This entry is transferred directly to the state return. Then, ask the question, "Is the interest treated differently on the state return?" If the interest is treated differently, adjust by entering the appropriate +/- and amount in the State adjust column.

Note: If U.S. Savings Bond interest is used to pay for higher education expenses, return is out of scope.

Schedule B, Line 5 Dividend Income

Part II: Ordinary Dividends	
5 Payer. If the payer is a brokerage firm, list the firm's name as the payer.	Amount
a [REDACTED]	0.
b [REDACTED]	0.
c [REDACTED]	0.
d [REDACTED]	0.
e [REDACTED]	0.
f [REDACTED]	0.
g [REDACTED]	0.
h [REDACTED]	0.
* i [REDACTED]	0.
** j [REDACTED]	0.
* The qualified dividends from Forms 8814 transfer to line i. If you are using the dividend statement, check here <input type="checkbox"/> AND manually enter in BOTH the ordinary dividends column AND the qualified dividends column: [REDACTED] 0. for the taxpayer and [REDACTED] 0. for the spouse on the statement. List the payer as Form 8814.	
** The dividends from Schedules K-1 transfer to line j. If you are using the dividend statement, check here <input type="checkbox"/> AND manually enter: [REDACTED] 0. for the taxpayer and [REDACTED] 0. for the spouse on the statement as K-1 dividends.	
Subtotal	0.
Nominee distributions (N)	0.
6 Add the amounts on line 5	0.

Part III: Foreign Accounts and Trusts		
	Yes	No
7a At any time during the year, did you have a financial interest in or signature authority over a financial account (such as a bank account, securities account, or brokerage account) located in a foreign country?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If "Yes" applies to Form 8814, check here	<input type="checkbox"/>	<input type="checkbox"/>
If "Yes", are you required to file Form FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR), to report that financial interest or signature authority? See Form FinCEN Form 114 and its instructions for filing requirements and exceptions to those requirements	<input type="checkbox"/>	<input type="checkbox"/>
b If "Yes", enter the name of the country and ... [REDACTED] Country code(s) where financial accounts are located	<input type="checkbox"/>	<input type="checkbox"/>
8 During the year, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If "Yes" applies to Form 8814, check here	<input type="checkbox"/>	<input type="checkbox"/>
If "Yes", you may have to file Form 3520. See instructions.		

Link from this box to the dividend statement.

Dividend Statement for Schedule B

US Schedule B		Dividend Income									
Payer	Ordinary dividends	Qualified dividends	TSJ	State adjust +/- Amount	N	Capital gain	1250 gain	28% gain	Fed. with.	Exempt int. div.	AMT PAB
	0.	0.	-	0.	-	0.	0.	0.	0.	0.	0.
	0.	0.	-	0.	-	0.	0.	0.	0.	0.	0.
	0.	0.	-	0.	-	0.	0.	0.	0.	0.	0.
	0.	0.	-	0.	-	0.	0.	0.	0.	0.	0.
	0.	0.	-	0.	-	0.	0.	0.	0.	0.	0.
	0.	0.	-	0.	-	0.	0.	0.	0.	0.	0.
	0.	0.	-	0.	-	0.	0.	0.	0.	0.	0.
	0.	0.	-	0.	-	0.	0.	0.	0.	0.	0.
	0.	0.	-	0.	-	0.	0.	0.	0.	0.	0.
	0.	0.	-	0.	-	0.	0.	0.	0.	0.	0.
	0.	0.	-	0.	-	0.	0.	0.	0.	0.	0.
	0.	0.	-	0.	-	0.	0.	0.	0.	0.	0.
	0.	0.	-	0.	-	0.	0.	0.	0.	0.	0.
	0.	0.	-	0.	-	0.	0.	0.	0.	0.	0.
	0.	0.	-	0.	-	0.	0.	0.	0.	0.	0.
	0.	0.	-	0.	-	0.	0.	0.	0.	0.	0.
	0.	0.	-	0.	-	0.	0.	0.	0.	0.	0.
	0.	0.	-	0.	-	0.	0.	0.	0.	0.	0.
	0.	0.	-	0.	-	0.	0.	0.	0.	0.	0.
	0.	0.	-	0.	-	0.	0.	0.	0.	0.	0.
	0.	0.	-	0.	-	0.	0.	0.	0.	0.	0.

Enter amount from Form 1099-DIV, box 11. Private activity bonds are a subset of municipal bond fund dividends.

Interest on private activity bonds is used to calculate alternative minimum tax (AMT). If AMT is greater than zero, the return is out of scope.

Enter the amount of exempt interest dividends received from a regulated investment company (mutual fund). Do not enter the amount in any other column.

Enter name of payer, abbreviate as needed to fit on line.

Enter amount from Form 1099-DIV, box 1a.

Enter amount from Form 1099-DIV, box 1b.

Enter amount from Form 1099-DIV, box 2a. This amount will automatically flow to Sch D, line 13.

Enter amount from Form 1099-DIV, line 2b.

Enter amount from Form 1099-DIV, line 2d.

Enter amount from Form 1099-DIV, box 4.

Note: Use only 1 dividend statement to record all dividend income.

Additional Dividend Entries

State adjustment: When a state return has been selected on the Main Information Screen, entries made on the Dividend Statement will be treated the same on the state return. If state tax law treats the dividend differently, an adjustment has to be made in the State adj column.

Example: Enter dividends from federal bond funds which are fully taxable on the federal return but tax exempt on the state return. Entering the dividend in the Amount column will result in the dividend showing up as taxable on both the federal and state returns. Therefore, an adjustment has to be made in the State adj column by entering a "-" and the amount. This will result in the dividend showing up as tax exempt on the state return.

TAX TIP: First, complete the dividend statement for the federal return only. This entry is transferred directly to the state return. Then, ask the question "Is the dividend treated differently on the state return?" If the dividend is treated differently, adjust by entering the appropriate +/- and amount in the State adjust column.

Note 1: If Foreign tax paid (box 6) is shown on 1099-DIV, see the Nonrefundable Credits tab for Foreign Tax Credit information.

Note 2: 1099-DIV, Box 3, Non-dividend Distribution is a return of basis, not taxed until all cost is recovered. Must reduce cost by these distributions at time of sale. Once all costs are recovered, report as capital gain.

Note 3: 1099-PATR-Rebate/Patronage Dividends issued by co-ops are not taxable for individuals but taxable for a business that uses expenses paid to co-op as business deductions. If not taxable, do not include them on the tax return.

Note 4: Enter K-1 dividends directly on Dividend Stmt, for example, "ABC Co K-1".

Refunds of State and Local Income Tax

Did you itemize deductions last year and receive state or local tax refunds, credits, or offsets? Answer "No" if you deducted state sales tax instead of state income tax Yes No

If you answer the question on Form 1040, line 10 with "no," the refund is not taxable.

10 Taxable refunds, credits, or offsets of state and local income taxes.
F9 for worksheet

If you answer the question on Form 1040, line 10 with "yes," then you must complete the State Tax Refund Worksheet.

US 1040		State Tax Refund Worksheet		0
Name: _____		SSN: _____		
	Joint or Taxpayer	Spouse	Taxable	
1 2013 state / local income tax refund	0.	0.		
2013 state / local income tax refund	0.	0.		
Total state / local income tax refund for 2013	0.	0.		
2 Enter amounts from the 2013 tax return				
Schedule A, line 5a, income taxes	0.	0.		
Schedule A, line 5b, general sales tax	0.	0.		
Difference - the state tax refund is only taxable to the extent the state tax deduction exceeds the sales tax deduction	0.	0.		
3 Net state / local income tax refund	0.	0.		
4 Enter the total of all other Schedule A refunds or reimbursements	0.	0.		
5 Add lines 3 and 4	0.	0.		
On the 2013 tax return, If itemized deductions are reduced due to income limitations, AMT is included, or there are unused credits, see Publication 525. Some or all of the state tax refund may be tax-free. Check here if the ENTIRE state tax refund is nontaxable. Stop here	<input type="checkbox"/>	<input type="checkbox"/>		
6 2013 itemized deductions	0.	0.		
7 Filing status for 2013. Enter 1, 2, 3, 4, or 5. 1 = Single 4 = Head of household 2 = Married filing jointly 5 = Qualifying widow(er) 3 = Married filing separately	<input type="checkbox"/>	<input type="checkbox"/>		
If the 2013 filing status was married filing separately, and itemized deductions were required to be used because the spouse itemized, check here	<input type="checkbox"/>	<input type="checkbox"/>		
8 Age 65 or blind, enter amount from the 2013 Form 1040, page 2, line 39a	0.	0.		
9 Standard deduction	0.	0.		
10 Subtract line 9 from line 6	0.	0.		
11 Smaller of line 5 or line 10	0.	0.		
12 Enter the taxable income for 2013, adjusted for any NOL carryover. If less than -0-, show the amount as a negative number	0.	0.		
13 Amount to include in income for 2014	0.	0.		
14 Taxable state / local income tax refund	0.	0.	0.	
15 Taxable amount of other income	0.	0.	0.	

If your state has a sales tax, this line should not be zero. See sales tax calculator on irs.gov.

Hint: Enter all information from prior year return, including filing status and if blind or age 65 or older.

This is normally 1040 line 43. If taxable income is zero, subtract exemptions (line 42) from the amount on line 41 and enter as a negative number.

Note: If the taxpayer does not have a copy of the prior year return, make the entire refund taxable.

Schedule C-EZ Business Income

Only one Sch. C-EZ is allowed per taxpayer.

US Schedule CEZ		Net Profit from Business	
This business or profession is owned by the: <input type="checkbox"/> Taxpayer <input checked="" type="checkbox"/> Spouse			
Name of proprietor: _____		SSN: 209-11-1111	
Part I: General Information			
You may use this form			
if you >>	<ul style="list-style-type: none"> • Had business expenses of \$5,000 or less. • Use the cash method of accounting. • Did not have an inventory at any time during the year. • Did not have a net loss from this business. • Had only one business as either a sole proprietor, qualified joint venture, or statutory employee. 	and you >>	<ul style="list-style-type: none"> • Had no employees during the year. • Are not required to file Form 4562, Depreciation and Amortization, for this business. See Schedule C, line 13, instructions. • Do not deduct expenses for business use of your home. • Do not have prior year unallowed passive activity losses from this business.
A Principal business or profession, including product or service _____		B Business code 0	
C Business name. If no separate business name, leave blank. _____		D Employer ID number (EIN) _____	
E Business address including suite or room number. Not required if the same as the tax return address . _____ Zip code, city or town, and state _____			
F Did you make any payments in 2013 that would require you to file Form(s) 1099? <input type="checkbox"/> Yes <input type="checkbox"/> No G If "Yes", did you or will you file all required Forms 1099? <input type="checkbox"/> Yes <input type="checkbox"/> No If filing Form 1040NR, check here if the taxpayer is required to pay self-employment tax on this income <input type="checkbox"/>			
Part II: Figure Your Net Profit			
If you are a minister who can only claim a portion of their expenses, F9 on line 2 for the worksheet for allowable deductions. Do not mix statutory employee income and non-employee income on the same Schedule C-EZ.			
1 Gross receipts 0. If this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked, check here <input type="checkbox"/>			
2 Total expenses. If more than \$5,000, use Schedule C 0.			
3 Net profit. If less than -0-, you MUST use Schedule C 0.			
Part III: Information on Your Vehicle Complete this part only if you are claiming vehicle expenses.			
4 When did you place your vehicle in service for business purposes? _____ 5 Of the total number of miles you drove your vehicle during the year, enter the number of miles you used your vehicle for a Business: 0 b Commuting: 0 c Other: 0 Business miles at the standard mileage rate of . . . 56.5¢ Include this amount with any other expenses you list on line 2 above 0.			
		Yes	No
6 Was your vehicle available for use during off-duty hours? <input type="checkbox"/> Yes <input type="checkbox"/> No 7 Do you (or your spouse) have another vehicle available for personal use? <input type="checkbox"/> Yes <input type="checkbox"/> No 8a Do you have evidence to support your deduction? <input type="checkbox"/> Yes <input type="checkbox"/> No b If "Yes", is the evidence written? <input type="checkbox"/> Yes <input type="checkbox"/> No			

Tip:
 Businesses with inventory, employees, depreciation, business use of the home, or a net loss are out of scope.

Select Schedule C-EZ for Taxpayer or Spouse

Sch C-EZ can be used only if these statements are true. See Note below.

For a list of Business Codes, go to help in TaxWise®, then search for "Business Codes."

If taxpayer does not have an EIN, leave blank.

If answer to question F is yes, then the return is out of scope.

Add the mileage amount to any other expenses on line 2.

Any Form 1099-MISC with nonemployee compensation (box 7) for a trade or business must be entered on line 1 by linking to Form 1099-MISC. A separate TaxWise® Form 1099-MISC must be completed for each Form 1099-MISC that the taxpayer provides. For cash payments link to a scratch pad and enter the business income. All Forms 1099 and scratch pad income will be totaled on line 1.

Self-employment tax and the adjustment of the deductible portion of the self-employment tax are automatically calculated and carried to the appropriate forms.

Note: See the Deduction tab for information on the type of business expenses that are allowed.

Schedule C-Business Income, Page 1

(In-scope limited to Schedule C-EZ criteria*)

US Schedule C Profit or Loss from Business	
This business or profession is owned by the: <input checked="" type="checkbox"/> Taxpayer <input type="checkbox"/> Spouse	
Name of proprietor: [REDACTED]	SSN: [REDACTED]
A Principal business or profession, including product or service [REDACTED]	B Business code [REDACTED]
C Business name. If no separate business name, leave blank. [REDACTED]	D Employer ID number (EIN) [REDACTED]
E Business address including suite or room number [REDACTED] Zip code, city or town, and state [REDACTED]	
F Accounting method (1) <input type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) [REDACTED]	
G Did you "materially participate" in the operation of this business during this year? If "No", losses may be limited <input type="checkbox"/> Yes <input type="checkbox"/> No	
H If you started or acquired this business this year, check here <input type="checkbox"/> Yes <input type="checkbox"/> No	
I Did you make any payments in 2014 that would require you to file Form(s) 1099? <input type="checkbox"/> Yes <input type="checkbox"/> No	
J If "Yes", did you or will you file all required Forms 1099? <input type="checkbox"/> Yes <input type="checkbox"/> No For state purposes, check if this business is an LLC <input type="checkbox"/> If filing Form 1040NR, check here if the taxpayer is required to pay self-employment tax on this income <input type="checkbox"/>	
Part I: Income F9 on line 1 to use Form 1099-MISC.	
1 Gross receipts or sales [REDACTED] 0.	
If this income was reported to you on Form W2 and the "Statutory employee" box on that form was checked, check here <input type="checkbox"/>	
2 Returns and allowances (see instructions) [REDACTED] 0.	
3 Subtract line 2 from line 1 [REDACTED] 0.	
4 Cost of goods sold from line 42 on page 2 [REDACTED] 0.	
5 Gross profit. Subtract line 4 from line 3 [REDACTED] 0.	
6 Other income, including Federal and state gasoline or fuel tax credit or refund [REDACTED] 0.	
7 Gross income. Add lines 5 and 6 [REDACTED] 0.	
Part II: Expenses If you are a minister who can only claim a portion of their expenses, F9 on line 27a for the worksheet for allowable deductions.	
8 Advertising [REDACTED] 0.	
9 Car and truck expenses [REDACTED] 0.	
10 Commissions and fees [REDACTED] 0.	
11 Contract labor [REDACTED] 0.	
12 Depletion [REDACTED] 0.	
13 Depreciation and section 179 expense deduction [REDACTED] 0.	
14 Employee benefit programs (other than on line 19) [REDACTED] 0.	
15 Insurance, other than health [REDACTED] 0.	
16 Interest	
a Mortgage (paid to banks, etc.) [REDACTED] 0.	
b Other [REDACTED] 0.	
17 Legal and professional services [REDACTED] 0.	
18 Office expense [REDACTED] 0.	
19 Pension and profit-sharing plans [REDACTED] 0.	
20 Rent or lease	
a Vehicles, machinery, and equipment [REDACTED] 0.	
b Other business property [REDACTED] 0.	
21 Repairs and maintenance [REDACTED] 0.	
22 Supplies not included in Part III [REDACTED] 0.	
23 Taxes and licenses: [REDACTED] 0. less Form 8846 credits: [REDACTED] 0.	
24 Travel, meals, and entertainment	
a Travel [REDACTED] 0.	
Meals and entertainment: [REDACTED] 0. at 50% [REDACTED] 0. at 80% - DOT hours of service [REDACTED] 0. at 100% - See instructions.	
Total meals and entertainment [REDACTED] 0.	
Non deductible amount [REDACTED] 0.	
b Deductible meals and entertainment [REDACTED] 0.	
25 Utilities [REDACTED] 0.	
26 Wages: [REDACTED] 0. less employment credits: [REDACTED] 0.	
27 a Other expenses from line 48 [REDACTED] 0.	
b Reserved for future use [REDACTED] 0.	

For a list of Business Codes, go to TaxWise® help, then search for "Business Codes."

If taxpayer does not have an EIN, leave blank.

Note:

If taxpayer answers yes to questions I or J, return is out of scope.

If taxpayer has Form 1099-MISC for nonemployee compensation, link from line 1 and select New Miscellaneous Income from 1099-MISC. For cash payments, link and select New Scratch Pad.

The deduction for business miles is automatically entered from Part IV.

Only standard mileage is in scope, not actual expenses.

Note:

Any taxpayer that receives less than \$600 may not receive a Form 1099-MISC but must still report the income.

Following are some of the types of expenses that are in scope for volunteer prepared returns:

Advertising, car and truck (standard mileage), commissions and fees, insurance, interest, legal and professional services, office, rent or lease, repairs and maintenance, supplies, taxes and licenses, travel, and utilities.

See **Deductions Tab** for information on transportation, travel and entertainment expenses.

Expenses that are **not** deductible include:

Bribes and kickbacks; charitable contributions; demolition expenses or losses; and, dues to business, social, athletic, luncheon, sporting, airline, and hotel clubs.

* Use the same criteria as Schedule C-EZ, except taxpayers can have expenses up to \$10,000, and more than one Schedule C can be prepared if the taxpayers have more than one business.

Schedule C–Business Income, Page 2

US Schedule C (2014) Page 2

Name: SSN:

Part III: Cost of Goods Sold

33 Method(s) used to value closing inventory
 (a) Cost (b) Lower of cost or market (c) Other

34 Was there any change in determining quantities, costs, or valuation between opening and closing inventory? If "Yes", attach explanation Yes No

35 Inventory at the beginning of the year. If different from last year's closing inventory, attach an explanation 0.

36 Purchases less cost of items withdrawn for personal use 0.

37 Cost of labor. Do not include any amounts paid to yourself 0.

38 Materials and supplies 0.

39 Other costs 0.

40 Add lines 35 through 39 0.

41 Inventory at the end of the year 0.

42 Cost of goods sold 0.

Part IV: Information on Your Vehicle. Complete this part ONLY if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business.

43 When did you place your vehicle in service for business purposes?

44 Of the total number of miles you drove your vehicle during the year, enter the number of miles you used your vehicle for

a Business: 0 b Commuting: 0 c Other: 0

Check to calculate business miles at the standard mileage rate of 56.0¢
 This amount will be listed on page 1, line 9 0.

	Yes	No
45 Was your vehicle available for personal use during off-duty hours?	<input type="checkbox"/>	<input type="checkbox"/>
46 Do you (or your spouse) have another vehicle available for personal use?	<input type="checkbox"/>	<input type="checkbox"/>
47 a Do you have evidence to support your deduction?	<input type="checkbox"/>	<input type="checkbox"/>
b If "Yes", is the evidence written?	<input type="checkbox"/>	<input type="checkbox"/>

Cost of Goods Sold out-of-scope.

Complete this section if taxpayer is claiming standard mileage for car or truck expenses. Actual repair and maintenance expenses are out-of-scope.

Remember to check the box under line 44a to calculate business miles at the standard mileage rate. This amount will be listed on page 1, line 9.

When net income from Sch C is \$400 and more, a Sch SE is automatically completed and the self-employment tax is included on the 1040. If the Schedule C income is not subject to self-employment tax for example, notary income-open Sch SE and enter the income on the line under Line 3.

Schedule D – Capital Gain or Loss Transactions Worksheet

Enter all capital transactions on the Capital Gain or Loss Transactions Worksheet. TaxWise will automatically complete all appropriate copies of Form 8949, as well as the Schedule D.

Form 1099-B box 2a

Form 1099-B box 1a

Note: TaxWise® accepts codes A through F

Form 1099-B, descriptions, box 8

Form 1099-B, box 1b

US Schedule D Capital Gain or Loss Transactions Worksheet											
1099 column: Enter "A" for short-term transactions reported on Form 1099-B with the basis reported to the IRS. Enter "B" for short-term transactions reported on Form 1099-B but the basis is not reported to the IRS. Enter "C" for short-term transactions for which you cannot enter A or B. Enter "D" for long-term transactions reported on Form 1099-B with the basis reported to the IRS. Enter "E" for long-term transactions reported on Form 1099-B but the basis is not reported to the IRS. Enter "F" for long-term transactions for which you cannot enter D or E.											
* Check if 28% rate gain or (loss).											
(a)	1	T	(b)	(c)	(d)	(e)	(f)	(g)	(h)	S	
Description of property	0	S	Date acquired	Date sold	Sales price	Cost or other basis	Code	Adjustments to gain or loss	Gain or loss	/	L
	9				0.	0.		0.	0.		
					0.	0.		0.	0.		
					0.	0.		0.	0.		
					0.	0.		0.	0.		

Form 1099-B box 3
If not stated on Form 1099-B or brokerage statement, taxpayer will need to provide basis. If cost basis is zero (such as demutualization), go to Form 8949 and use the estimate function key to delete red on cost basis. If basis cannot be determined, use zero.

Only used if an adjustment is made to basis, or if grouping transactions, use Code M.
If multiple codes are needed, enter in alphabetic order. Codes are listed on the following page.

Taxpayer must provide this information.

Note 1: Use VARIOUS in Date Acquired column for mutual funds or stocks purchased on multiple dates. When using various for multiple short-term transactions, the S/L column must be overridden (by someone with override privileges) and an S entered. The holding period for long-term transactions is one year and one day.

Note 2: Use INHERIT in Date Acquired column for inherited stock if property was inherited from someone who died in any year other than 2010. Property inherited from someone who died in 2010 is out of scope unless taxpayer can provide the basis information.

Note 3: Use code E to add sales commissions and fees to the basis unless they are reflected in Form 1099-B box 2a.

Note 4: Net losses greater than \$3000 (\$1,500 if MFS) will be shown on TaxWise® Sch D Wkt 2. Excess losses will carry-forward to future tax years. If the taxpayer has a capital loss carryforward from a prior year, enter it on the appropriate line on Schedule D regardless of the amount of gain or loss for the current year. Always put Schedule D, Wkt 2, with taxpayer's papers and highlight the carryforward on the taxpayer's return copy. Enter any state capital loss carryover on the appropriate state form.

Brokers' Statements

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

- 1099-INT (Summary-NOT detail): Input info on Interest Statement
- 1099-DIV (Summary-NOT detail): Input info on Dividend Statement
- 1099-B (Summary and Detail) and "Cost basis" or "Transaction detail" for sale of stock: Input on Capital Gains Transaction Worksheet
- "Management" or "Investment fees": Input on Schedule A Line 23
- If there are dividends from mutual funds, look for an insert or chart that says what percentage came from federal government interest: Input as a minus state adjustment (check your state rules)
- The chart should also show what percent came from municipal bonds from each state: Input exempt interest from states other than yours as a plus state adjustment on the dividend statement (check your state rules)
- Foreign taxes paid: Input on Form 1116 in the Simplified Limitation Election section, only if all foreign taxes relate to passive income and the total on all tax statements (1099 etc) is less than \$300 (\$600 MFJ); otherwise, in scope only if certified in International.
- If the taxpayer has margin interest and is itemizing deductions, the return is out of scope

How To Complete Cap Gn Wkt, Columns (f) and (g) — TY2015

For most transactions, you do not need to complete columns (f) and (g) and can leave them blank. You may need to complete columns (f) and (g) if you got a Form 1099-B or 1099-S (or substitute statement) that is incorrect, if you are excluding or postponing a capital gain, if you have a disallowed loss, or in certain other situations. Details are in the table below. If you enter more than one code (on the same row) in column (f) enter them in alphabetical order and enter the net adjustment in column (g).

IN SCOPE IF . . .	THEN enter this code in column (f) . . .	AND . . .
You received a Form 1099-B (or substitute statement) and the basis shown in box 3 is incorrect	B	<ul style="list-style-type: none"> • If the worksheet 1099 column code is B, enter the correct basis in column (e), and enter -0- in column (g). • If the worksheet 1099 column code is A, enter the basis shown on Form 1099-B (or substitute statement) in column (e), even though that basis is incorrect. Correct the error by entering an adjustment in column (g). To figure the adjustment needed, see the <i>Worksheet for Basis Adjustments in Column (g)</i>. Also see <i>Example 4—adjustment for incorrect basis</i> in the instructions for column (h) in Form 8949 instructions.
You received a Form 1099-B or 1099-S (or substitute statement) for a transaction and there are selling expenses or option premiums that are not reflected on the form or statement an adjustment to either the proceeds or basis shown	E	Enter in column (d) the proceeds shown on the form or statement you received. Enter in column (e) any cost or other basis shown on Form 1099-B (or substitute statement). In column (g), enter as a negative number (use a minus sign) any selling expenses and option premium that you paid (and that are not reflected on the form or statement you received) and enter as a positive number any option premium that you received (and that is not reflected on the form or statement you received).
You received a Form 1099-B (or substitute statement) and the type of gain or loss (short term or long term) shown in box 1c is incorrect	T	Enter -0- in column (g).
You sold or exchanged your main home at a gain, must report the sale or exchange on Part II of Form 8949 (as explained in <i>Sale of Your Home</i> in the Instructions for Schedule D (Form 1040)), and can exclude some or all of the gain	H	Report the sale or exchange on Cap Gn Wkt as you would if were not taking the exclusion. Then enter the amount of excluded (nontaxable) gain as a negative number (use a minus sign) in column (g). See the example in the instructions for column (g).
You have a nondeductible loss other than a loss indicated by code W	L	Report the sale or exchange on Cap Gn Wkt and enter the amount of the nondeductible loss as a positive number in column (g). See <i>Nondeductible Losses</i> in the Instructions for Schedule D (Form 1040).
Your report multiple transactions on a single row as described in <i>Exception to reporting each transaction on a separate row</i>	M	See <i>Exception to reporting each transaction on a separate row</i> . Enter -0- in column (g) unless an adjustment is required because of another code.
You have an adjustment not explained earlier in this column	O	Enter the appropriate adjustment amount in column (g). See the instructions for column (g).
You have a nondeductible loss from a wash sale	W	Report the sale or exchange on Cap Gn Wkt and enter the amount of the nondeductible loss as a positive number in column (g).
None of the other statements in this column apply		Leave columns (f) and (g) blank.

How To Complete Cap Gn Wkt, Columns (f) and (g) — TY2015

OUT OF SCOPE IF...	THEN enter this code in column (f)...
You received a Form 1099-B or 1099-S (or substitute statement) as a nominee for the actual owner of the property	N
You sold or exchanged qualified small business stock and can exclude part of the gain	Q
You can exclude all or part of your gain under the rules explained in the Schedule D instructions for DC Zone assets or qualified community assets	X
You are electing to postpone all or part of your gain under the rules explained in the Schedule D instructions for any rollover of gain (for example, rollover of gain from QSB stock or publicly traded securities)	R
You had a loss from the sale, exchange, or worthlessness of small business (section 1244) stock and the total loss is more than the maximum amount that can be treated as an ordinary loss	S
You disposed of collectibles (see the Schedule D instructions)	C

Exception to Entering Each Transaction on a Separate Row

When a taxpayer's Form 1099-B includes so many transactions that it is not practical to enter each one into TaxWise®, use the following procedure.

1. Divide the transactions into four categories:
 - Short term transactions with basis reported to the IRS - categorized as "Box A."
 - Short term transactions with basis not reported to the IRS - categorized as "Box B."
 - Long term transactions with basis reported to the IRS - categorized as "Box D."
 - Short term transactions with basis not reported to the IRS - categorized as "Box E."
2. Enter the total of each category on one line on the capital gain worksheet with Code M in column (f). Make sure that TaxWise® correctly reflects short term or long term for each line.
3. If any of the transactions requires an adjustment to the reported basis, enter the adjustment code and adjustment amount in columns (f) and (g) of the line that includes that transaction. In this case, there will be more than one adjustment code in column (f). Enter the codes in alphabetical order in column (f), with no spaces or commas.
4. If there are transactions with basis not reported to the IRS, the broker's list of transactions must be submitted as an attachment to the tax return. Check the appropriate box at the top of Schedule D in TaxWise® and submit the document using either of the following two methods.
 - Hardcopy: Make a photocopy and attach it to Form 8453 to be mailed to Austin.
 - Electronic: Scan the pages and save as a pdf. Attach the pdf to the electronic return prior to creating the e-file.

Example: Applying Section 121 Exclusion to Capital Gains on Sale of Main Home

US Schedule D		Capital Gain or Loss Transactions Worksheet							2012		
1099 column: Enter "A" for transactions reported on Form 1099-B with the basis reported to the IRS, enter "B" for transactions reported on Form 1099-B but the basis is not reported to the IRS, enter "C" for transactions for which you cannot enter A or B.											
* Check if 28% rate gain or (loss).											
(a) Description of property	1 0 9 9	T S J	*	(b) Date acquired	(c) Date sold	(d) Sales price	(e) Cost or other basis	(f) Code	(g) Adjustments to gain or loss	(h) Gain or loss	S / L
MAIN HOME	C		<input type="checkbox"/>	05/15/2003	10/01/2013	200000	125000	H	-75000	0	L
			<input type="checkbox"/>			0	0		0	0	
			<input type="checkbox"/>			0	0		0	0	
			<input type="checkbox"/>			0	0		0	0	
			<input type="checkbox"/>			0	0		0	0	

TIP: A fully excludable gain must be reported only if the taxpayer received a Form 1099-S.

Capital Loss Carryover and Capital Gain and Loss From Schedule K-1

Link to a scratch-pad and list short term capital gains from K-1 on line 5.

4	Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824	4	
5	Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1	5	
6	Short-term capital loss carryover. Enter the amount, if any, from line 8 of your Capital Loss Carryover Worksheet in the instructions	6	()
7	Net short-term capital gain or (loss). Combine lines 1a through 6 in column (h). If you have any long-term capital gains or losses, go to Part II below. Otherwise, go to Part III on the back	7	
Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year			
See instructions for how to figure the amounts to enter on the lines below. This form may be easier to complete if you round off cents to whole dollars.		(d) Proceeds (sales price)	(e) Cost (or other basis)
8a	Totals for all long-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 8b		
8b	Totals for all transactions reported on Form(s) 8949 with Box D checked		
9	Totals for all transactions reported on Form(s) 8949 with Box E checked		
10	Totals for all transactions reported on Form(s) 8949 with Box F checked		
11	Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824	11	
12	Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1	12	
13	Capital gain distributions. See the instructions	13	
14	Long-term capital loss carryover. Enter the amount, if any, from line 13 of your Capital Loss Carryover Worksheet in the instructions	14	()

Link to a scratch-pad and list long term capital gains from K-1 on line 12.

Enter capital loss carryovers from prior year return on line 6 or 14. Be sure to use the right-hand column.

1099-R Pension and Annuity Income

Form 1099 Alert

All 1099-R entries in this section must be an exact match of the paper Form(s) 1099-R.

US 1099-R Distributions from Profit-Sharing, Retirement Plans, IRA's, etc.		
This 1099-R is for the: <input type="checkbox"/> Taxpayer <input type="checkbox"/> Spouse		
Recipient's name: _____		Recipient's SSN: <u>209-11-1111</u>
<input type="checkbox"/> Check if this 1099-R is handwritten, altered, or appears not to be a true 1099-R. <input type="checkbox"/> Corrected <input type="checkbox"/> Check if this is the taxpayer's address shown on the 1099-R or <input type="checkbox"/> Check and make changes to the U.S. address or foreign address below.		
U.S. address _____ Zip code, city, and state _____ Foreign street address _____ Foreign city _____ Foreign province / state _____ Foreign Zip code _____ Foreign country code _____		
Payer's ID: _____ Name code: _____	1 Gross (RRB line 7) _____ 0.	Taxable amount not determined <input type="checkbox"/>
Payer's name _____	2 Taxable amount _____ 0.	Total distribution ... <input type="checkbox"/> Elect 10 averaging ... <input type="checkbox"/>
Payer's U.S. address _____	3 Capital gain in line 2 _____ 0.	4 Federal tax withheld _____ 0.
Payer's Zip code, city, and state _____	5 Employee contributions, designated Roth contributions or insurance premiums _____ 0.	6 Net unrealized appreciation in employer's securities _____ 0.
Payer's foreign address _____	7 Codes IRA /SEP / Simple . <input type="checkbox"/>	8 Other <u>0.0</u> % _____ 0.
Payer's foreign city _____	Check if disability and the taxpayer is disabled ... <input type="checkbox"/> Check to force Form 5329 <input type="checkbox"/>	
Payer's foreign province / state _____	9a Percentage of total distribution _____ 0.0 %	9b Total employee contributions _____ 0.
Payer's Zip code and country code _____		

Complete TaxWise® version of 1099-R using information from taxpayer's Form 1099-R.

Box 2: Enter the amount shown on 1099-R. If zero or blank or the "taxable amount not determined" box is checked, see "Variations" on D-23. **DO NOT ENTER ANY AMOUNT IN BOX 2 EXCEPT WHAT IS ON THE 1099-R.**

Review box 4 and box 12 to ensure tax withheld was entered and is correct.

Check if Code 3 is in box 7—and the taxpayer is on disability but under the minimum retirement age of the employer plan. This makes the amount go to Wages, line 7 on Form 1040, rather than the pension line.

See Other Taxes Tab, for details on Form 5329.

1099-R Dollar Value Boxes

Box 2: No amount is entered if the Simplified Method is used. If no amount is in box 2 of Form 1099-R, do not make an entry here. The entire Box 1 will be taxable unless an amount is calculated/entered in the Exclusion Worksheet or Simplified Method sections on the lower section of this screen.

Box 3: Capital Gain will be shown for a Charitable Gift Annuity (Code F). The difference between the Distribution shown in Box 1 and the capital gain shown in Box 3 will appear on Line 15 of the 1040. A schedule D must be completed to report the Capital gain. Describe as "FROM 1099-R". The Gain should be the amount from Box 3 and the gain is Long Term.

Box 4: Review Box 4 and Box 12 to ensure tax withheld was entered and is correct.

Box 5: If Box 5 is the same as Box 1, none of the distribution is taxable. Enter the amount from Box 5 in Line 5 of the Exclusion Worksheet. If the payer has calculated the taxable amount of the pension in Box 2, generally the difference between Boxes 1 and 2 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 the Schedule A.

Box 7: Take care to enter the code shown on the 1099-R. See next page for codes..

Box 9b: This information may alternatively appear in Box 5 although you cannot tell if it was "employee contribution" or "health insurance premiums" unless it states so on the 1099-R. If an amount appears in this box and a taxable amount is not shown in Box 2, the taxable amount box "2" remains blank and red until you complete the "Simplified Method" section of this form, described below (this will also "get the red out").

Box 7 Distribution Codes	Explanations
1 — Early distribution, no known exception.	<ul style="list-style-type: none"> • If this amount was rolled over within 60 days of the withdrawal and—if the distribution was from an IRA--no prior rollover was made in the same 12-month period, enter the amount rolled over in Line 1 of the Exclusion Worksheet below the 1099-R screen. Trustee to trustee transfer is not considered a prior rollover. If more than one rollover from an IRA in the 12-month period, return is out of scope. • If this was not rolled over, a 10% additional tax will be applied unless the taxpayer qualifies for an exception. See page Tab H for a list of exceptions. If the taxpayer qualifies for an exception, check the box on the 1099-R just below Box 7 that says, “Click here to force Form 5329.” Go to Form 5329, and on line 2, enter the code for the exception and the amount that qualifies for the exception.
2 — Early distribution, exception applies.	Code 2 applies if the taxpayer is under 59 ½ but the payer knows that an exception to the additional tax applies. If the IRA/SEP/SIMPLE box is NOT checked, no further action needed. If the IRA/SEP/SIMPLE box IS checked, additional reporting may be required on Form 8606, and the return is out of scope.
3 — Disability.	<p>Code 3 is for a disability pension.</p> <ul style="list-style-type: none"> • If the taxpayer is under the minimum retirement age for the company he retired from, then check the box on the 1099-R just below Box 7 that says, “Click here if Code 3 and disabled.” This will put this disability income on Line 7 of Form 1040 instead of Line 16. It will also include the amount in earned income for calculation of the earned income credit, the dependent care credit and the additional child tax credit. • If the taxpayer has reached the minimum retirement age, no further action is needed.
4 — Death.	Code 4 is for a survivor’s benefit or an inherited IRA. If it’s a pension, the original retiree has died, and the survivor is receiving his or her share of the pension. If the original pensioner was using the Simplified Method, continue to use it for the survivor. If it’s an inherited IRA and the original owner had a basis, the survivor takes over that basis.
5 — Prohibited transaction.	This code is out of scope.
6 — Tax-free Section 1035 exchange.	This code is out of scope.
7 — Normal distribution.	<p>Code 7 is for normal distributions. It may occur in several different situations:</p> <ul style="list-style-type: none"> • If the amounts in Box 1 and 2 are the same, and Box 2b is not checked, the pension is fully taxable. • If the taxpayer makes a rollover from one IRA to another and holds the money less than 60 days, enter the amount rolled over on the Exclusion Worksheet, line 1. This will check the “rollover” box at Line 15 of Form 1040. Link out from there and enter a description of the rollover. • If the Box 2b is checked and there is an amount in Box 9b, complete the Simplified Method at the bottom of the 1099-R screen. Be sure to use the taxpayer’s age at the time of retirement—not current age. • If there is an amount in Box 2 that is different than Box 1, no further action is needed. • If there is no amount (or zero) in Box 2, check to see if there is an amount in Box 5. If this is the same amount as Box 1, the distribution is the taxpayer’s own money coming back. Enter the Box 5 amount on line 5 of the Exclusion Worksheet. None of the distribution will be taxed. • If any portion of this distribution was sent directly from the trustee to a charity, enter the amount on Line 2 of the Exclusion Worksheet. It will not be included in gross income. No charitable deduction may be taken for the donation.
8 — Excess contributions	This code is out of scope.
9 — Cost of current life insurance	This code is out of scope
A — May be eligible for 10-year tax option.	This code is out of scope.

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. The distribution is subject to the net investment income tax. If the taxpayer has AGI over a threshold amount (\$200,000 for a single taxpayer or HoH, \$250,000 MFJ or QW, \$125,000 MFS), then this code means the return is out of scope. If the AGI is less than the threshold amount the return is in scope and no further action is needed.
E — Distributions under Employee Plans Compliance Resolution System (EPCRS).	This code is out of scope.
F — Charitable gift annuity.	Code F is used for the annuity payments from a charitable gift annuity. The difference between the distribution in Box 1 and the capital gain shown in Box 3 will appear on Line 15 of the 1040. A Cap Gn Wkt must be completed to report the capital gain. Describe it as "From 1099-R". The gain should be the amount in Box 3, and the gain is long term.
G — Direct rollover of distribution and direct payment.	Code G is for a direct rollover from a qualified plan to an eligible retirement plan. If box 2, taxable amount, is zero or blank, it will not be taxed. If there is an amount in box 2, the direct rollover is fully or partially taxable. No further action is needed.
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 will not be taxed. No further action is needed.
J — Early distribution from a Roth IRA.	This code is out of scope.
K — Distribution of IRA assets not having a readily available FMV	This code is out of scope.
L — Loans treated as deemed distributions	Code L is for loans treated as deemed distributions. This code could possibly be combined with codes 1, 4, or B. For more information on how it is treated see the codes on this chart.
N — Recharacterized IRA contribution.	This code is out of scope.
P — Excess contributions plus earnings/excess deferrals	This code is out of scope.
Q — Qualified distribution from a Roth IRA.	This distribution is not taxable. TaxWise® enters the distribution amount on Form 1040 Line 15a but not 15b. No further action is needed.
R — Recharacterized IRA contribution.	This code is out of scope.
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 Tab H for a list of exceptions. If the taxpayer qualifies for an exception, check the box on the 1099-R (just below Box 7) that says, "Click here to force Form 5329." Go to Form 5329 and, on line 2, enter the code for the exception and the amount that qualifies for it.
T — Roth IRA distribution, exception applies.	This code is out of scope.
U — Dividends distributed from an ESOP	This code is out of scope.
W — Charges or payments for LTC contracts	This code is out of scope.

1099-R Exclusion Worksheet (lower section of 1099-R screen)

Taxpayer should have documentation of the amount that should have been recovered in previous years even if it was not claimed or you can calculate it from the annuity start date.

Enter the amount paid for qualified insurance premiums paid by a retired public safety officer. If more than \$3,000, enter the excess on Sch A detail as a medical deduction.

Account number (optional)		10 Amount allocable to IRR within 5 years	11 1st year of designated Roth contribution
		0.	
See F1 Help on the state return for use of these boxes. Instructions vary by state. Check if applies.	12 State tax	13 State and state ID no.	14 State distribution
	0.		0.
Box 1 <input type="checkbox"/>	15 Local tax	16 Locality name	17 Local distribution
Box 2 <input type="checkbox"/>	0.		0.
Box 3 <input type="checkbox"/>			
Railroad retirement <input type="checkbox"/>	0.		0.

Exclusion Worksheet	
1 Amount rolled over	0.
2 Amount, up to \$100,000, paid directly by the trustee of the IRA to a charitable organization. The donor must have been at least 70 1/2 when the distribution was made	0.
3 Amount rolled over into an HSA. This election is irrevocable and can only be done once in the recipient's lifetime	0.
4 Retired public safety officers - amount, up to \$3,000, paid directly from a qualified governmental plan to pay health or qualified long-term care insurance for the taxpayer, spouse, or dependents	0.
5 Excludable amount due to a tax-free exchange; as calculated in a previous year; or by law, is specifically tax-exempt	0.
* If the distribution is from a traditional, SEP, or SIMPLE IRA and you ever made nondeductible IRA contributions, check here <input type="checkbox"/>	
* If this is a conversion from a traditional IRA to a Roth IRA, check here <input type="checkbox"/>	
If only PART of this distribution was converted to a Roth IRA, enter the amount converted	0.

Simplified Method	
1 Cost in the plan at the annuity starting date (RRB line 3)	0.
2 Check age of primary annuitant at annuity starting date	
<input type="checkbox"/> 55 or under <input type="checkbox"/> 56-60 <input type="checkbox"/> 61-65	
<input type="checkbox"/> 66-70 <input type="checkbox"/> 71 or older	
<input type="checkbox"/> Check if the annuity starting date is after 11/18/1996.	
<input type="checkbox"/> Check if the annuity starting date is after 12/31/1997 and this is a joint and survivor annuity. Use table below.	
Check combined age of annuitants at annuity starting date	
<input type="checkbox"/> 110 or under <input type="checkbox"/> 111-120 <input type="checkbox"/> 121-130	
<input type="checkbox"/> 131-140 <input type="checkbox"/> 141 or more	
3 Exclusion per month	0.00
4 Number of months for which payments were received this year	0
5 If the annuity started after 1986, enter the amount recovered tax free in prior years	0.
6 Exclusion	0.

Rollovers

- A taxpayer should not receive a 1099-R for a trustee-to-trustee transfer from one IRA to another, but should receive a 1099-R for a trustee-to-trustee direct rollover from an employer qualified plan to an IRA with code G. TaxWise® correctly treats the whole amount as not taxable unless there is an amount in box 2.
- A rollover that involves a distribution of funds to the participant is not taxable if the funds are deposited into an IRA (or the same IRA) or an employer plan within 60 days. Form 1099-R will have either a code 1 or code 7. The amount properly rolled should be entered on Line 1 of the Exclusion Worksheet.
- When there is a rollover from an IRA, the counselor should complete the TaxWise® Rollover Explanation Form linked from line 15 on Form 1040.
- As of January 1, 2015 only one rollover from an IRA to another (or the same) IRA in any 12-month period, regardless of the number of IRAs owned, is permitted. There is no limit on the number of other types of rollovers or trustee-to-trustee transfers between IRAs.
- Sometimes a distribution includes both a regular distribution (generally taxable) and a rollover (generally non-taxable). The exclusion worksheet is used to input the amount that will not be taxed.

Note: The above applies to pre-tax accounts (e.g. traditional IRAs) and to post-tax accounts (e.g. Roth IRAs) within each group. If rolling or converting from pre-tax to post-tax, the amount will generally be taxable.

Exclusion Worksheet

Line 1-Enter the full amount of the rollover (not distribution or ROTH conversion)

- This checks the "Check if rollover" box on 1040 line 15b.
- Click in the red box on 1040 line 15b and press F9 to link to the "New form 1040 IRA Rollover Explanation worksheet and explain the rollover (e.g. Taxpayer rolled their IRA distribution of \$xxxx dated mm-dd-yyyy from Bank A to a new IRA at Bank B on mm-dd-yyyy in the amount of \$xxxx. Taxpayer did not make any other rollovers during any 12-month period that includes this rollover.)

Line 2-Enter any amounts that are paid directly to a charity if the person was 70-1/2 when donation was made. This makes the distribution non-taxable. The TP does not get a charitable deduction.

Line 3-Amount rolled over to an HSA is **out of scope**.

Line 4-Enter qualified amount (up to \$3000) for health and/or Long term care insurance paid from the retirement plan. Amount may be in Box 5 of the 1099-R or in a letter from the plan. Enter the remainder of the insurance premium directly to Sch A Detail.

Asterisked lines are all out of scope.

Form 1099-R Simplified Method Worksheet

If the taxpayer made after-tax contributions toward a pension, a portion of the annuity payment has already been taxed and is not taxable now.

(Generally, if the starting date of the payments was prior to July 2, 1986, the Simplified Method would not apply. If the taxpayer used the 3-year rule, the annuity is fully taxable. If he used the general rule, refer him to a professional tax preparer.)

Since 1986, the employee's total after tax contribution is distributed over a number of months that represents the average life expectancy of someone who is his age (when he began receiving payments). The payor may calculate the tax-free amount and show the correct taxable amount in Box 2a. In that case, simply enter the amounts shown on the 1099-R. Do not use the worksheet.

If the payor does not calculate the taxable amount, Box 2b will be marked, and Box 2a may be blank, zero or the same as Box 1. In that case, use the Simplified Method at the bottom of the 1099-R screen.

<input type="checkbox"/> CORRECTED (if checked)		OMB No. 1545-0119	
PAYER'S name, street address, city or town, province or state, country, and ZIP or foreign postal code John Doe 123 Main Street, City, State, Zip	1 Gross distribution	2014	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
	\$ 20,000.00	Form 1099-R	
	2a Taxable amount	Total distribution <input type="checkbox"/>	Copy B Report this
	\$ 2b Taxable amount not determined <input checked="" type="checkbox"/>		

Completing the Simplified Method Worksheet in TaxWise®

Simplified Method	
1 Cost in the plan at the annuity starting date (RRB line 3)	0.
2 Check age of primary annuitant at annuity starting date	
<input type="checkbox"/> 55 or under <input type="checkbox"/> 56-60 <input type="checkbox"/> 61-65 <input type="checkbox"/> 66-70 <input type="checkbox"/> 71 or older	
<input type="checkbox"/> Check if the annuity starting date is after 11/18/1996. <input type="checkbox"/> Check if the annuity starting date is after 12/31/1997 and this is a joint and survivor annuity. Use table below.	
Check combined age of annuitants at annuity starting date	
<input type="checkbox"/> 110 or under <input type="checkbox"/> 111-120 <input type="checkbox"/> 121-130 <input type="checkbox"/> 131-140 <input type="checkbox"/> 141 or more	
3 Exclusion per month	0.00
4 Number of months for which payments were received this year	0
5 If the annuity started after 1986, enter the amount recovered tax free in prior years	0.
6 Exclusion	0.
7 Remaining cost in the pension or annuity	0.

Line 1: Enter the total amount of employee contributions from Form 1099-R, Box 9b or Box 3 of RRB 1099-R.

Line 2: Check the box indicating the retiree's age when the annuity payments started (not his or her current age).
NOTE: For a joint or survivor annuity, the box indicating the combined ages at the time the annuity started must be checked instead.

Line 3: Calculated entry.

Line 4: Enter the number of months that payments were received during the tax year, which will usually be 12 except for the year in which payments started or ended.

Line 5: Enter the amount that could have been recovered tax free in prior years even if not claimed. Look at last year's tax return to find this amount, or calculate the amount using the monthly tax free amount computed by TaxWise® for the 2015 tax year times the number of months prior to 2015.*

Line 6: Once the Simplified Method worksheet is complete, TaxWise® computes the taxable amount and places it on Form 1040, line 16b. TaxWise® Form 1099-R, Box 2a, will no longer be "red" but it will remain blank. Volunteer preparers should not make any entry in Box 2a.

This worksheet is used to recover the taxpayer's original contributions. The employee contributions are shown in box 9b on Forms 1099-R, CSA-1099-R and CSF-1099-R and box 3 of Form RRB-1099-R.

*See special rule for civil servants who retired between July 2, 1986 and December 31, 1986 in Publication 575.

Roth IRA

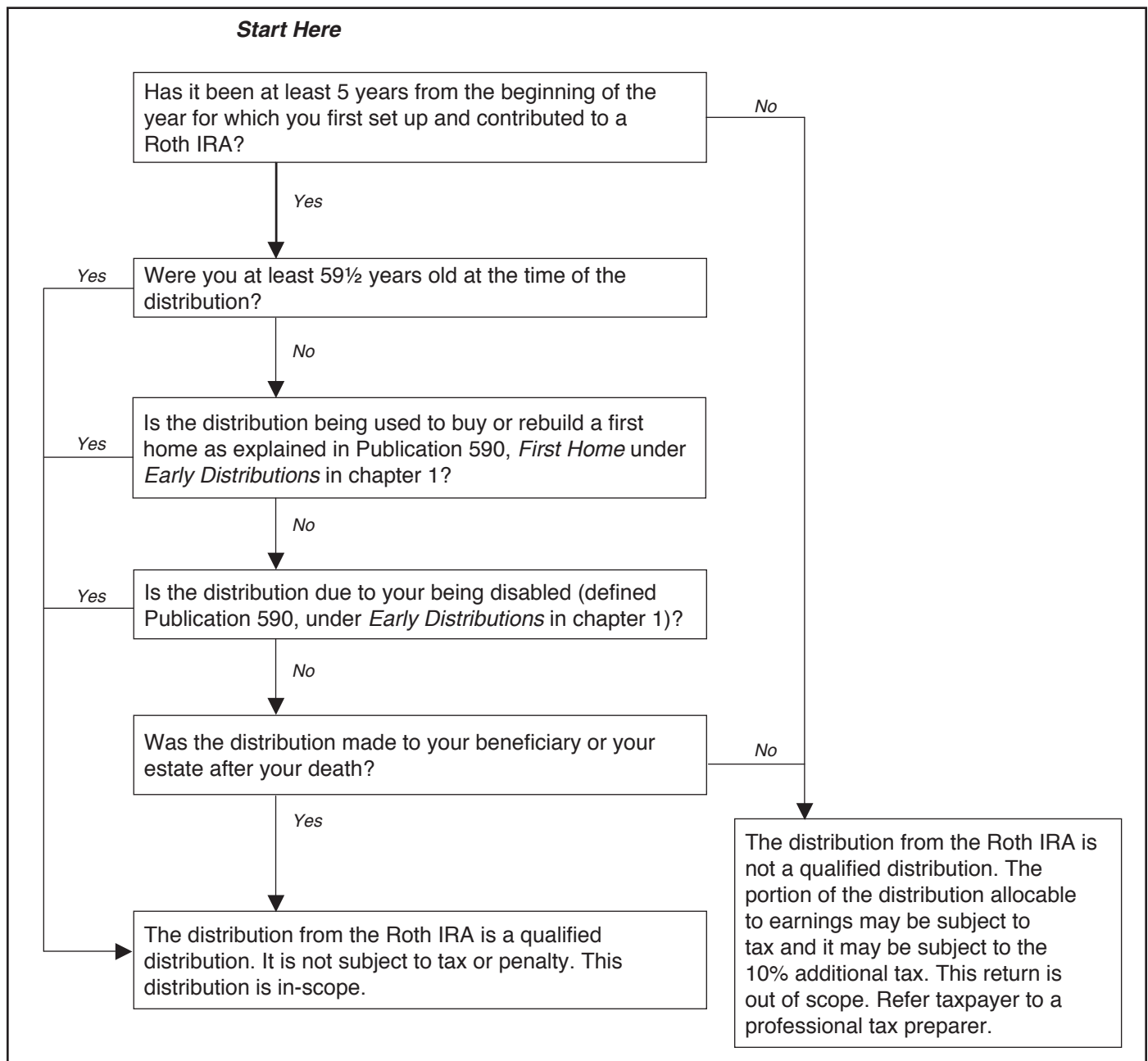
Basis of distributed property. The basis of property distributed from a Roth IRA is its fair market value (FMV) on the date of distribution, whether or not the distribution is a qualified distribution.

You do not include in your gross income qualified distributions or distributions that are a return of your regular contributions from your Roth IRA(s).

Distributions from a Roth IRA are tax free and may be excluded from income if the following requirements are met:

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

Figure 2-1. **Is the Distribution From Your Roth IRA a Qualified Distribution?**



Railroad Retirement, Civil Service, and Social Security Benefits

1: **Form RRB-1099-R—Tier 2 (Green form) Annuities or pensions by the**

Railroad Retirement Board – Non Social Security Equivalent Benefits (NSSEB) includes all Tier 1 and Tier 2 Railroad Benefits not included on Form RRB-1099. It should be treated the same as any other qualified employee retirement plan.

Enter RRB-1099-R data on TaxWise® Form 1099-R as follows:

Box	From RRB-1099-R	To TaxWise®
3	Employee contributions	1099-R box 9b and line 1 of Simplified Method section
7	Gross distribution	1099-R box 1
9	Federal income tax withheld	1099-R box 4
12	Medicare premium total	Sch A—Detail—if itemizing deductions

Complete TaxWise® Form 1099-R as follows:

- Click in box to the right of box 1 —“Taxable amount not determined”.
- A distribution code (box 7) is required and the code is “7” unless the interview with the taxpayer indicates it is not a normal distribution.
- Complete Simplified Method section, if applicable.
- “X” the **Railroad retirement** box to the left of block 13 for railroad pensions that qualify for subtraction on state returns.

2: **Form CSA 1099-R—Civil Service Retirement Benefits**

—The Office of Personnel Management issues Form CSA 1099-R for annuities paid or Form CSF 1099-R for survivor annuities paid. The CSA-Form 1099-R box numbers reflect the standard numbering on a Form 1099-R. If the taxable amount is not calculated in box 2:

- The Simplified Method must be used.
- Enter box 9b on line 1 of the Simplified Method section, if applicable.
- Complete the other required entries of the Simplified Method section.
- Amounts in box 5 are for health insurance premiums paid by the annuitant (and need to be manually entered on the Schedule A worksheet).

3: **Form RRB-1099—Tier 1 (Blue form) Social Security Equivalent Benefits (SSEB)**

—Treat the benefits reported on this form just like the information reported on SSA-Form 1099. (See below)

4: **Form SSA-1099—Social Security Benefit Statement**

—The Social Security Administration issues Form SSA-1099 to report benefits paid. Use the following procedures for entering this information into TaxWise®:

- From Form 1040, line 20, link to 1040 Wkt 1.
- Scroll to Social Security and Railroad Tier 1 Benefits section.
- “Social Security Received This Year”—Enter Form SSA-1099, box 5 amount, or Form RRB-1099, box 5 amount. Verify recorded on the proper lines and in the proper columns (if a joint return).
- “Medicare to A”—Enter Form SSA-1099, Medical Premiums (include Part B and Part D) or Form RRB-1099, box 11 amount.
- “Federal Tax Withheld”—Enter Form SSA-1099, box 6 amount, or Form RRB-1099, box 10 amount.
- TaxWise will perform all the calculations to determine the taxable amount based on other information in the return.

See next page for lump sum Social Security calculations.

1099-R Entry Variations

Note: If no amount or zero is entered in box 2 of TaxWise® 1099R, the box will become red and lines 1 and 5 of the *Exclusion Worksheet* will become red. This indicates that there is a required entry in the *Exclusion Worksheet* or the Simplified Method.

A. Example 1 (most common)—An amount is entered in box 1, box 2a is blank or the same amount as box 1, the distribution code in box 7 is [7], and nothing is entered in boxes 5 or 9b.

- The amount in box 1 is fully taxable. TaxWise® will transfer the amount in box 1 to Form 1040 page 1, line 16b. Nothing has to be entered in box 2; use the estimate function to remove red.

B. Example 2—An amount is entered in box 1, box 2a is blank, the distribution code is [7], and an amount is entered in box 9b.

- The Simplified Method section will have to be completed to determine the amount in box 9b that will be tax free. TaxWise® will automatically deduct this amount from the amount in box 1 and enter the result on Form 1040 page 1, line 16b. See 4012, Partially Taxable-Simplified Method.
- Do not make an entry to box 2 of Form 1099-R.

C. Example 3—An amount is entered in box 1 and the taxable amount (other than zero) is entered in box 2a with a distribution code of [7]. There may or may not be an entry in box 5. Generally, the amount in box 2a is [box 1 minus the amount in box 5].

- The payer has made things easy by providing the taxable amount. TaxWise® will enter the taxable amount on Form 1040 page 1, line 16b.

D. Example 4—An amount is entered in box 1, box 2a is blank or zero, an amount is in box 5, and the distribution code is [7].

- Except in the case of a CSA 1099-R, the amount in box 5 should be nontaxable and therefore should be subtracted from line 1 and the result entered on Form 1040 page 1, line 16b. The tax preparer must ascertain from the taxpayer what amount should be nontaxable. In the TaxWise® 1099-R form, enter the tax-exempt amount on line 5 of the *Exclusion Worksheet*. (The *Exclusion Worksheet* is located just below the primary 1099-R form.) TaxWise® will subtract the amount from line 1 and enter the result on Form 1040 page 1, line 16b.

E. Example 5—An amount is entered in box 1, box 2a is blank or zero, the “Taxable amount not determined” is NOT checked, and the distribution code is [7]. If this is a disability pension for an on-the-job injury, and the taxpayer believes it is not taxable, enter the amount from Box 1 on Line 5 of the Exclusion.

Social Security Lump Sum Distribution on Form SSA-1099 (if distribution causes a tax liability).

Step 1-Enter Box 5 total in the Social Security received this year line on 1040 Wkt 1

Step 2-Calculate amount received for current tax year by subtracting prior years from box 5 benefits

Step 3-Enter amount received for the current year for both spouses in appropriate box at bottom of worksheet

Step 4-Link to Lump Sum Wkt from line, “amounts taxable from previous years”

Step 5-Enter pertinent prior year at top of Lump Sum Wkt (eg, 2012) and check appropriate marital status for that year

Step 6-On line 1, enter amount of benefits received in prior year for both spouses and amount for prior year received in current year

Step 7-On line 3, enter AGI for prior year

Step 8-On lines 4 and 5, enter adjustments/exclusions and tax exempt interest amounts for prior year

Step 9-On line 7, enter taxable benefits reported on the tax return for the earlier years.

Step 10-Close worksheet; repeat steps 4-9 for additional prior years

Schedule E – Rental and Royalty Income and Loss (Limited)

Rental Income - Military Certification

Royalty Income - Advanced Certification

US Schedule E Supplemental Income and Loss

Name: [REDACTED] SSN: [REDACTED]

Part I: Income or Loss From Rental Real Estate and Royalties

Note: If you are in the business of renting personal property, use Schedule C. Report farm rental income or loss from Form 4835 on page 2, line 40.

A Did you make any payments in 2014 that would require you to file Form(s) 1099?
See instructions Yes No

B If "Yes", did you or will you file all required Forms 1099? Yes No

* K-1 royalty information transfers to column C of lines 1 and 4.
State income is allocated based on the state listed in the address section below.
If any of these properties are part-year rental, part rental and part personal, such as a duplex, or a personal use unit, such as a vacation home, F9 on the "Address" field, A or B, to use a worksheet.

For each rental real estate property listed, report the number of fair rental and personal use days. Check the QJV box only if you meet the requirements to file as a joint qualified venture. See instructions.

** Allowable codes for type of property
1 Single family residence 3 Vacation or short-term rental 5 Land 7 Self-rental
2 Multi-family residence 4 Commercial 6 Royalties 8 Other

If type 8, enter a description for
Property A [REDACTED] Property B [REDACTED]
Property C [REDACTED]

1	Address	TSJ	** Type	Fair rental days	Personal use days	QJV
A	[REDACTED]	<input type="checkbox"/>	<input type="checkbox"/>	0	0	<input type="checkbox"/>
B	[REDACTED]	<input type="checkbox"/>	<input type="checkbox"/>	0	0	<input type="checkbox"/>
C	[REDACTED]	<input type="checkbox"/>	<input type="checkbox"/>	0	0	<input type="checkbox"/>

Income

F9 to 1099-Misc on line 3 or 4	Properties		
	A	B	C
3 Rents received	0.	0.	0.
4 Royalties received	0.	0.	0.

Expenses

	A	B	C
5 Advertising	0.	0.	0.
6 Auto and travel	0.	0.	0.
7 Cleaning and maintenance	0.	0.	0.
8 Commissions	0.	0.	0.
9 Insurance	0.	0.	0.
10 Legal and other professional fees	0.	0.	0.
11 Management fees	0.	0.	0.
12 Mortgage interest paid to banks, etc	0.	0.	0.
13 Other interest	0.	0.	0.
14 Repairs	0.	0.	0.
15 Supplies	0.	0.	0.
16 Taxes	0.	0.	0.
17 Utilities	0.	0.	0.
18 Depreciation expense or depletion	0.	0.	0.
19 *Other	0.	0.	0.
Total other expenses	0.	0.	0.
*Royalty expenses from K-1s, amortization, and part-rental worksheet expenses transfer here. If you are using the statement, check <input type="checkbox"/> AND manually enter these amounts on the statement	0.	0.	0.
20 Total expenses	0.	0.	0.
21 Subtract line 20 from line 3 and / or line 4. If the result is a loss, see the instructions to find out if you must file Form 6198	0.	0.	0.
22 Deductible rental real estate loss	0.	0.	0.
23a Total of all amounts reported on line 3 for all rental properties	0.		
b Total of all amounts reported on line 4 for all royalty properties		0.	
c Total of all amounts reported on line 12 for all properties	0.		
d Total of all amounts reported on line 18 for all properties	0.		
e Total of all amounts reported on line 20 for all properties	0.		
24 Income. Add positive amounts shown on line 21			0.
25 Losses. Royalty losses from line 21 and rental real estate losses from line 22			0.
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25			0.
Nonpassive rental activities for EIC purposes			0.

Link from Form 1040, line 17 to Sch E. On Sch E, complete lines A and B. If a taxpayer answers yes to Question A, the return is out of scope.

Use Schedule E to report rental income only when taxpayer is not in the business of renting property. If in the business, return is out of scope.

Line 1:

- Physical address of each property (street, city, state and ZIP code)
- Type of property
- For each rental real estate property listed, report the number of fair rental and personal use days. Check the QJV box only if you meet the requirements to file as a qualified joint venture. See instructions.

Use separate columns for each rental property.

Enter rental income on Line 3 or link to 1099-Misc if one was received.

Enter royalty income on Line 4 only when reported from Sch K-1 or Form 1099-MISC, Box 2, Royalties.

Can deduct hazard insurance as reported on Form 1098.

Link to Form 4562.

Most common entries:

- homeowners association fee
- telephone bills
- Rental income from sources such as a home is in scope with Military certification only.
- Royalty income reported on a Schedule K-1 or Form 1099-MISC with no associated expenses is in scope with Advanced certification.

Caution: Refer taxpayers who are in the business of renting properties to a professional tax preparer.

Form 2555, Foreign Earned Income, Page 1

US 2555 Foreign Earned Income

For Use by U.S. Citizens and Resident Aliens Only

Foreign income exclusion is for the: Taxpayer Spouse

Name: _____ SSN: _____

Part I: General Information

1 Your foreign address (including country)

Foreign name line 2 _____

Foreign street address _____

Foreign city _____

Foreign state or province _____

Foreign postal code _____

Foreign country _____

Country code. See F1 Help _____

2 Your occupation _____

3 Employer's name _____

4a Employer's U.S. address

U.S. name line 2 _____

U.S. street address _____

U.S. Zip code, city, and state _____

b Employer's foreign address

Foreign name line 2 _____

Foreign street address _____

Foreign city _____

Foreign state or province _____

Foreign postal code _____

Foreign country _____

Country code. See F1 Help _____

5 Employer is . . . **a** A foreign entity **b** A U.S. company **c** Self

d A foreign affiliate of a U.S. company

e Other (specify): _____

6a If you previously filed Form 2555 or Form 2555-EZ, enter the last year you filed the form _____

b If you did not file Form 2555 or 2555EZ to claim either of the exclusions, check here and go to line 7.

c Have you ever revoked either of the exclusions? Yes No

d If "Yes", check the type of exclusion claimed . . . Earned income exclusion Housing exclusion

Enter the tax year for which the revocation was effective _____

7 Of what country are you a citizen or national? _____

8a Did you maintain a separate foreign residence for your family because of adverse living conditions at your tax home? Yes No

b If "Yes", enter city and country of the separate foreign residence. Also, enter the number of days during the tax year that you maintained a second household at that address.

Address _____ Days: _____

9 List your tax home(s) during the tax year and date(s) established. F9 for statement, if listing more than one tax home. _____ Date(s): _____

For International certification only

Enter names and addresses as appropriate

Select employer information

Complete this section regarding previously filed Form 2555

Indicate citizenship

Select yes or no; if yes, complete 8b

List tax home and date established

Form 2555, Foreign Earned Income, Part II and III (continued)

Complete only Part II OR Part III - determine whether Bona Fide Residence or Physical Presence test applies.

Check if bona fide residence continues.

Part II: Taxpayers Qualifying Under Bona Fide Residence Test

- 10** Date bona fide residence began: _____ and ended: _____
 Check if bona fide residence continues
- 11** Kind of living quarters in foreign country
a Purchased house **b** Rented house or apartment
c Rented room **d** Quarters furnished by employer
- 12 a** Did any of your family live with you abroad during any part of the tax year? Yes No
b If "Yes", what was the person's relationship to you?
 and for what period?
- 13 a** Have you submitted a statement to authorities of the foreign country where you claim the bona fide residence that you are not a resident of that country? Yes No
b Are you required to pay income tax to the country where you claim bona fide residence? Yes No
Note: If you answered "Yes" to 13a and "No" to 13b, you do not qualify as a bona fide resident. Do not complete the rest of this part.
- 14** If you were present in the U.S. or its possessions during the tax year, complete columns (a) - (d) below. Do not include the income from column (d) in Part IV, but report it on Form 1040.

(a) Date arrived in U.S.	(b) Date left U.S.	(c) No. days	(d) Income earned in U.S.	(a) Date arrived in U.S.	(b) Date left U.S.	(c) No. days	(d) Income earned in U.S.
_____	_____	0.	0.	_____	_____	0.	0.
_____	_____	0.	0.	_____	_____	0.	0.
_____	_____	0.	0.	_____	_____	0.	0.
_____	_____	0.	0.	_____	_____	0.	0.

- 15 a** List any contractual terms or other conditions relating to the length of your employment abroad. _____
- b** Enter the type of visa used to enter the foreign country _____
- c** Did your visa limit the length of your stay or employment in a foreign country? Yes No
 If "Yes", attach an explanation F9 to explanation:
- d** Did you maintain a home in the U.S. while living abroad? Yes No
- e** If "Yes", enter address of your home, whether it was rented, the names of the occupants, and their relationship to you. Check if rented:
 Address
 ZIP code, city and state
 Name of occupant
 Relationship of occupant

Part III: Taxpayers Qualifying Under Physical Presence Test

- 16** The physical presence test is based on the 12-month period from _____ through . _____
- 17** Enter the principal country of employment during your tax year. _____
- 18** If you traveled abroad during the 12-month period entered on line 16, complete columns (a) - (f) below. Exclude travel between foreign countries that did not involve travel on or over international waters, or in or over the United States, for 24 hrs or more.
 Check here if you have no travel to report during the 12-month period
 "Physically present in a foreign country or countries for the entire 12-month period." will be printed on the form. Do not include the income in column f below in Part IV, but report it on Form 1040.

(a) Name of country, including U.S.	(b) Date arrived	(c) Date left	(d) Full days		(e) on U.S. business	(f) Income earned in U.S. on business
			in country			
_____	_____	_____	0	0	0.	
_____	_____	_____	0	0	0.	
_____	_____	_____	0	0	0.	
_____	_____	_____	0	0	0.	

Form 2555, Foreign Earned Income, Part IV (continued)

Part IV: All Taxpayers

List all income including noncash income, you earned and actually or constructively received during the tax year for services performed in a foreign country. If any of the foreign earned income received this tax year was earned in a prior tax year, or will be earned in a later tax year (such as a bonus), see the instructions. Do not include income from line 14, column d, or line 18, column f. Report amounts in U.S. dollars, using the exchange rates in effect when the income was actually or constructively received.

These amounts should already have been included in income on Form 1040.

Any income entered on this page should first be entered in the appropriate section of Form 1040. Enter in this part the total foreign earned income you earned and received during the tax year.

19	Total wages, salaries, bonuses, commissions, etc		0.
20	Allowable share of income for personal services performed		
a	In a business (including farming) or profession		0.
b	In a partnership. List partnership's name, address and type of income.		
21	Noncash income. Market value of property or facilities furnished by employer. Attach a statement showing how it was determined.		
a	Home (lodging)		0.
b	Meals		0.
c	Car		0.
d	Other property or facilities. List type and amount.		
22	Allowances, reimbursements, or expenses paid on your behalf for services you performed		
a	Cost of living and overseas differential	0.	
b	Family	0.	
c	Education	0.	
d	Home leave	0.	
e	Quarters	0.	
f	For any other purpose. List type and amount.		
g	Add lines 22a through 22f	0.	0.
23	Other foreign earned income. List type and amount.		
24	Add lines 19 through 21d, line 22g, and line 23	0.	0.
25	Total amount of meals and lodging included on line 24 that is excludable	0.	
26	Foreign earned income	0.	0.

Enter wages from an employer here.

Enter gross self-employment income here.

Form 2555, Foreign Earned Income, Page 3 (continued)

US 2555 (2013)

Page 3

Name: SSN:

Part V: All Taxpayers

27 Amount from line 26 0.
 Are you claiming the housing exclusion or housing deduction?
 Yes. Complete Part VI. No. Go to Part VII.

Qualifying period dates for this tax year from: _____ through: _____

Enter the dates in your qualifying period that fall within the current 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.

Part VI: Taxpayers Claiming Housing Exclusion and / or Deduction

28 Qualified housing expenses for the tax year 0.
 29 a Enter location where housing expenses incurred
 Foreign address
 Foreign city
 Foreign province / county
 Foreign Zip code
 Foreign country code
 This is the printed location
 b Limit on housing expenses.
 If the number of days on line 31 is 365, enter the limit for the location in which you incurred housing expenses. If less than 365, enter the daily limit for the location in which you incurred housing expenses.
 You can find this limit in the table issued by IRS in early 2014 | 0.00 0.
 30 Smaller of line 28 or line 29b 0.
 31 Number of days in qualifying period that fall within this tax year 0
 32 Multiply \$42.78 by number of days on line 31. Maximum \$15,616 0.
 33 Subtract line 32 from line 30 0.
 34 Enter employer-provided amounts | 0.
 35 Divide line 34 by line 27 0.0000
 36 Housing exclusion. Multiply line 33 by line 35 0.

This number will calculate automatically from the dates you entered above.

Part VII: Taxpayers Claiming the Foreign Earned Income Exclusion

37 Maximum foreign earned income exclusion 97,600.
 38 Number of days in qualifying period that fall within this tax year 0
 39 Divide line 38 by number of days in the tax year 0.0000
 40 Multiply line 37 by line 39 0.
 41 Subtract line 36 from line 27 0.
 42 Foreign earned income exclusion. Smaller of line 40 or line 41 0.

Report in full on Form 1040 and related forms and schedules all deductions allowed in figuring your adjusted gross income.

Part VIII: Taxpayers Claiming the Housing Exclusion, Foreign Earned Income Exclusion, or Both

43 Add lines 36 and 42 0.
 44 Deductions allowed in figuring your AGI that are allocable to the excluded income.
 F9 to explanation 0.
 45 Subtract line 44 from line 43 0.

Enter on line 44 the total amount of those deductions (such as the deduction for moving expenses, the deductible part of self-employment tax, and the expenses claimed on Schedule C or C-EZ (Form 1040)) that are not allowed because they are allocable to the excluded income.

Part IX: Taxpayers Claiming the Housing Deduction

46 Subtract line 36 from line 33 0.
 47 Subtract line 43 from line 27 0.
 48 Smaller of line 46 or line 47 0.
 49 Housing deduction carryover from 2012. See instructions for worksheet 0.
 50 Housing deduction. Add lines 48 and 49 0.



Publication 4731
**Screening Sheet for Nonbusiness Credit Card Debt
Cancellation**



If the taxpayer is in bankruptcy, the tax return is out of scope for the VITA/TCE Programs.

Instructions: Use this Screening Sheet for taxpayers with Form 1099-C resulting from cancellation of nonbusiness credit card debt and to assist in identifying taxpayers with cancellation of credit card debt issues.

Credit Card Debt

step 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.

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

step 3 Does box 3 of Form 1099-C show any interest or was box 6 checked to indicate bankruptcy? **YES** – Go to Step 6
NO – Go to Step 4
Note: If the bankruptcy box is not checked but the taxpayer has subsequently filed bankruptcy, answer “yes.”

step 4 Was the taxpayer insolvent immediately before the cancellation of debt? **YES** – Go to Step 6
NO – Go to Step 5
Use the Insolvency Determination Worksheet in Publication 4012 and interview the taxpayer to determine if the taxpayer was insolvent immediately before the cancellation of debt.

step 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, line 21 (Other Income). No additional supporting forms or schedules are required for reporting income from canceled credit card debt.

step 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.
- The Taxpayer Advocate Service (TAS): 1-877-777-4778, TTY/TDD 1-800-829-4059. TAS may help if the problem cannot be resolved through normal IRS channels.
- A professional tax preparer.



Insolvency Determination Worksheet



Assets (FMV)	
Homes	\$
Cars	
Recreational vehicles, etc.	
Bank accounts	
IRAs, 401Ks, etc.	
Jewelry	
Furniture	
Clothes	
Misc.	
Other assets	
Total Assets:	\$

Liabilities	
Mortgages	\$
Home equity loans	
Vehicle loans	
Personal signature loans	
Credit card debts	
Past-due mortgage interest, real estate taxes, utilities, and child care costs	
Student loans	
Other liabilities	
Total Liabilities:	\$

Total Assets minus Total Liabilities = \$

(Negative amount equals insolvency)

(Positive amount equals solvency)

Health Saving Accounts (HSA) Helpful Hints

References:

**Publication 969, Health Savings Account and Other Tax-Favored Health Plans
Form 8889 and Instructions, Health Savings Accounts**

Do not rely on this document alone. Refer to HSA references to provide assistance.

How will you know if the taxpayer has an HSA issue?

- The Intake/Interview sheet has the Yes or Unsure HSA box checked.
- The taxpayer's (or spouse's) Form W-2 has a box 12 entry of code W for employer contributions. Form 8889 should populate in the forms tree of the tax software. **[Caution – Contributions to an employee's account through a Section 125 (cafeteria) plan are treated as employer contributions and are not deductible.]**
- The taxpayer (or spouse) has a Form 1099-SA with an X in box 5 showing distributions from an HSA.
- The taxpayer (or spouse) may receive Form 5498-SA for their HSA contributions. If taxpayers do not have this form they can provide the information regarding HSA contributions based on their records.

What do you need to know about Form 8889, Health Savings Accounts?

Tax Software Tip: If you realize you need the Form 8889 to report HSA activity, and it does not show up in the forms tree in the software, link to the Form 8889 from Form 1040, line 25.

Line 1 – Select the appropriate (HDHP) coverage for the taxpayer: **self-only or family**. This determines the maximum HSA contribution limits.

Line 2 – Employee contributions are entered on Line 2. Contributions by relatives or friends are considered to be made by the taxpayer. **Do not** include employer contributions on this line.

The account holder needs to tell you how much was put in the HSA, because they might not have received the Form 5498-SA by the time they're preparing their tax return. Form 8889 will calculate the amount of excess contributions, if any. **Caution:** If the excess is not withdrawn by the due date of the return then it is out-of-scope; refer the taxpayer to a professional tax preparer.

Employee payroll deductions already reported on Form W-2, box 12, code W should not be entered on line 2.

Line 6 – Usually the same as the Line 5 and it is calculated by the tax software. Taxpayers need to know whose name is on the HSA account (taxpayer or spouse). There is no such thing as a "joint HSA account". If both taxpayer and spouse have HSAs, and had family coverage under an HDHP, refer to the Instructions for line 6. In the tax software, use the Help option to review the Form 8889 Instructions.

Line 7 – Age 55 or older, look up "catch up" contribution limits in Form 8889 Instructions.

Line 14a – 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.

Line 15 – If all distributions were used for unreimbursed qualified medical expenses, enter the same amounts as line 14a. See Pub 17, Chapter 21 for qualified medical expenses. You cannot treat insurance premiums as qualified medical expenses unless the premiums are for long-term care insurance, health care continuation coverage (such as COBRA), health care coverage while receiving unemployment compensation under federal or state law, or Medicare and other health care coverage if the taxpayer is 65 or older (other than premiums for a Medicare supplemental policy). No over-the-counter medicines without a prescription (except for insulin). Taxpayers cannot take a deduction on Schedule A for any amount included on line 15. Long-term care cost limits are:

- \$380 if under 40
- \$710 if 41 - 50
- \$1,430 if 51 - 60
- \$3,800 if 61 - 70
- \$4,750 if over 70.

Lines 16, 17b – Complete if HSA distributions were not used for qualified medical expenses. The tax software will auto calculate the lines, if applicable.

Line 17a – If taxpayer meets one of the exceptions to the additional 20% tax, check the box on line 17a. Exceptions are: age 65, disability, or death. See Form 8889 instructions for more information on the exceptions to the additional tax.

Lines 18-21 (Part III) – Out-of-scope.



NOTE: Only volunteers with **Health Savings Account Certification** may assist taxpayers with HSA issues.



Instructions: This Screening Sheet will help you identify HSA issues that are within the scope of the VITA/TCE program. Use the Determine HSA Eligibility section to determine if the taxpayer is eligible for an HSA; use Part I for contributions/deduction; use Part II for distributions. **References:** Publication 969, Form 8889 and Instructions

Determine HSA Eligibility (To set up an HSA or make contributions to an HSA)

TO QUALIFY: An individual must meet **ALL** the following requirements:

- Be covered under a high deductible health plan (HDHP) on the first day of any month of the year.
- Have no other health coverage except for allowable “other health coverage.” (Publication 969, “Other health coverage”)
- Not be claimed as a dependent on someone else’s tax return. (Publication 969, “Qualifying for an HSA”)
- Not be covered by Medicare (but the individual can be HSA eligible for the months before being covered by Medicare).

NOTE: If the taxpayer does not 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 If eligible, were contributions made to an HSA?

1

YES – Complete Form 8889, Part I, lines 1 and 2. Go to Step 2.

NO – STOP.

step Was the taxpayer enrolled in the same HDHP coverage for the **entire** year?
2 (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).

YES – Complete Form 8889, Part I, lines 3-13.

FOR YES AND NO: Lines 4 and 10 are out of scope.

NO – Complete line 3 using the Limitation Chart and Worksheet in the Instructions for Form 8889. Then complete the remainder of Part I.

PART II – HSA Distributions

step Did the taxpayer receive distributions from the HSA trustee (whether or not
1 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 Did the taxpayer use all or part of the distribution to pay or get reimbursed for
2 qualified medical expenses during the year that were incurred after the HSA was established **and** were for qualified persons?

YES – Enter the amount on line 15 and complete line 16. Go to Step 3.

NO – Enter zero on line 15 and complete line 16. Go to Step 3.

step If any part of the distribution is taxable, was the distribution made after the
3 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.



Alimony Requirements (Instruments Executed After 1984)

Payments ARE alimony if all of the following are true:

Payments are required by a divorce or separation instrument.

Payer and recipient spouse do not file a joint return with each other.

Payment is in cash (including checks or money orders).

Payment is not designated in the instrument as not alimony.

Spouses legally separated under a decree of divorce or separate maintenance are not members of the same household.

Payments are not required after death of the recipient spouse.

Payment is not treated as child support.

These payments are deductible by the payer and includible in income by the recipient.

Payments are NOT alimony if any of the following are true:

Payments are not required by a divorce or separation instrument.

Payer and recipient spouse file a joint return with each other.

Payment is:

- Not in cash,
- A noncash property settlement,
- Spouse's part of community income, or
- To keep up the payer's property.

Payment is designated in the instrument as not alimony.

Spouses legally separated under a decree of divorce or separate maintenance are members of the same household.

Payments are required after death of the recipient spouse.

Payment is treated as child support.

These payments are neither deductible by the payer nor includible in income by the recipient.

IRA deduction

Note: Taxpayer's age must be 70½ or younger to contribute to a traditional IRA; if married filing separately, **could not** have lived together any time during the year.

Note: compensation for purposes of an IRA contribution includes alimony received.

TaxWise® Hint: Link to IRA Worksheet and enter any contributions to traditional or Roth IRA's. Contributions to traditional IRA will carry to the appropriate line and Form 8880. Contributions to a Roth IRA will carry just to Form 8880.



Student Loan Interest Deduction at a Glance

Caution: This table is only an overview of the rules. For details, see Publication 17.

Feature	Description
Maximum benefit	You can reduce your income subject to tax by up to \$2,500.
Loan qualifications	Your student loan: <i>Taxpayer must be legally liable for the loan.</i> <ul style="list-style-type: none">• must have been taken out solely to pay education expenses, and• cannot be from a related person or made under a qualified employer plan.
Student qualifications	The student must be: <ul style="list-style-type: none">• you, your spouse, or a person who was your dependent when you took out the loan, or would have been your dependent except you were a dependent, or had gross income over the exemption amount, or filed MFJ.• enrolled at least half-time in a program leading to a degree, certificate or other recognized educational credential.
Time limit on deduction	You can deduct interest paid during the remaining period of your student loan.
Phaseout	The amount of your deduction depends on your income level.

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

NOTE: See Extenders Tab for information relating to Educator Expenses and Tuition and Fees Deductions.

Form 1040 – Adjustments to Income

Adjustments to Income		
23	Educator expenses	0.
24	Certain business expenses of reservists, qualified performing artists, and fee-based government officials. Form 2106 or 2106-EZ	0.
25	Health savings account deduction. Form 8889	0.
26	Moving expense. Form 3903	0.
27	Deductible part of self-employment tax	0.
28	Self-employed SEP, SIMPLE, and qualified plans	0.
29	Self-employed health insurance deduction	0.
30	Penalty on early withdrawal of savings	0.
31	Alimony paid. Recipient's SSN: _____ and amount _____	0.
32	IRA deduction	0.
33	Student loan interest deduction	0.
34	Tuition and fees deduction	0.
35	Domestic production activities deduction. Form 8903	0.
	Other:	
	Reforestation	0.
	Sub-pay (Trade Act)	0.
	Jury duty pay you gave to your employer	0.
	501(c)18 pension plan	0.
	PPR	0.
	Form 2555, line 50	0.
	Archer MSA deduction. Form 8853	0.
	Deduction for whistleblower fees	0.
	Attorney fees and court costs for discrimination claims	0.
36	Total adjustments	0.
37	Adjusted gross income	60,700.

Health Savings Account - link to Form 8889. (HSA Certification required)

Auto calculated from Sch SE.

Flows over from input of 1099-INT in Interest Statement.

If the taxpayer paid alimony to more than one person, link to the Alimony Paid Worksheet.

Link to 1040-wkt2, Student Loan, Education Worksheet, and insert the amounts of student loan interest paid.

This facsimile form is not approved for filing directly to the IRS.
Print IRS form using "Print Return" or "Print Current Form".

Hint: (Must be Certified for Military) Link from line 26 of Form 1040 to access Form 3903, Moving Expenses. Check the box near the top of the form to indicate an Armed Forces PCS move.

Hint: If the taxpayer contributed to a Roth or a traditional IRA, whether it is deductible or not, you should link to the IRA worksheet from Line 32 of Form 1040 and enter the amount of the contribution on the appropriate line. (see note)



Exhibit 1 – Standard Deduction for Most People*

This table provides the standard deduction amounts for tax year 2015.

If the taxpayer's filing status is...	Your standard deduction is ...
Single or married filing separate return	\$6,300
Married filing joint return or qualifying widow(er) with dependent child	\$12,600
Head of household	\$9,250

*Do not use this chart if the taxpayer was born before January 2, 1951, or is blind, or if someone else can claim an exemption for the taxpayer (or their spouse if married filing jointly).



Persons Not Eligible for the Standard Deduction Interview Tips

interview tips

Certain taxpayer situations do not qualify for the standard deduction. These interview tips will assist you in determining if the taxpayer's standard deduction is zero or if they should itemize their deductions.

step
1

Is your filing status married filing separately?

If **YES**, go to Step 2.
If **NO**, go to Step 3.

step
2

Is your spouse itemizing deductions?

If **YES**, go to Conclusion 2.
If **NO**, go to Step 3.

step
3

Are you a dual status alien or a nonresident alien?

If **YES**, go to Conclusion 2.
If **NO**, go to Conclusion 1.

Conclusion 1: Based on the information provided, you may take either the standard or itemized deduction.

Conclusion 2: Based on the information provided, you generally do not qualify for the standard deduction. See Publication 519, U.S. Tax Guide for Aliens, for more information.

Standard Deduction Chart for People Born Before January 2, 1951, or Who are Blind

Check the correct number of boxes below. Then go to the chart.

You: Born before January 2, 1951 Blind

Your spouse, if claiming spouse's exemption: Born before January 2, 1951 Blind

Total number of boxes checked

IF your filing status is...	AND the number in box above is...	THEN your standard deduction is...
Single	1	\$7,850
	2	9,400
Married filing jointly or Qualifying widow(er) with dependent child	1	\$13,850
	2	15,100
	3	16,350
	4	17,600
Married filing separately	1	\$7,550
	2	8,800
	3	10,050
	4	11,300
Head of household	1	\$10,800
	2	12,350

*If someone else can claim you (or your spouse if filing jointly) as a dependent, use standard deduction worksheet for dependents.

Standard Deduction Worksheet for Dependents

Use this worksheet only if someone else can claim you (or your spouse if filing jointly) as a dependent.

Check the correct number of boxes below. Then go to the worksheet.

You: Born before January 2, 1951 Blind

Your spouse, if claiming spouse's exemption: Born before January 2, 1951 Blind

Total number of boxes checked

1. Enter your earned income (defined below). If none, enter -0-.	1. _____
2. Additional amount.	2. _____ \$350
3. Add lines 1 and 2.	3. _____
4. Minimum standard deduction.	4. _____ \$1,050
5. Enter the larger of line 3 or line 4.	5. _____
6. Enter the amount shown below for your filing status. <input type="checkbox"/> Single or Married filing separately—\$6,300 <input type="checkbox"/> Married filing jointly—\$12,600 <input type="checkbox"/> Head of household—\$9,250	6. _____
7. Standard deduction. a. Enter the smaller of line 5 or line 6. If born after January 1, 1951, and not blind, stop here. This is your standard deduction. Otherwise, go on to line 7b. b. If born before January 2, 1951, or blind, multiply \$1,550 (\$1,250 if married) by the number in the box above. c. Add lines 7a and 7b. This is your standard deduction for 2015.	7a. _____ 7b. _____ 7c. _____

Earned income includes wages, salaries, tips, professional fees, and other compensation received for personal services you performed. It also includes any amount received as a scholarship that you must include in your income.



interview tips

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.

step
1

Do you have expenses in the following categories: medical and dental expenses, taxes you paid, home mortgage interest you paid, gifts to charity, job expenses, and certain miscellaneous deductions?

Note: Casualty and theft losses and some miscellaneous deductions are beyond the scope of VITA/TCE.

If YES, go to Step 2.

If **NO**, generally speaking, you should take the standard deduction if eligible. For further explanation see exceptions in Publication 17, Standard Deduction chapter.

step
2

Were the medical and dental expenses paid by an employer under a pre-tax plan (not included in box 1 of the customer’s Form W-2) or were the expenses reimbursed by an insurance company?

If YES, you cannot deduct reimbursed expenses. Go to Step 4. If **NO**, you can claim these expenses. Go to Step 3.

step
3

Were the medical and dental expenses more than 10% of your adjusted gross income (7.5% if one spouse is 65 or older)?

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 do not claim as a dependent because of the rules for children of divorced or separated parents
- Any person you could have claimed as a dependent on your return except that person received \$4,000 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 2015 return

If YES, you can claim qualified expenses. Go to Step 4.

If **NO**, you cannot deduct these expenses. Go to Step 4.

step
4

Were the following taxes you paid imposed on you: state, local or foreign income taxes, real or personal property taxes?

If YES, go to Step 5.

If **NO**, you cannot claim this expense as a deduction because you were not obligated to pay the taxes. Go to Step 6.

step
5

Did you pay these taxes during **the 2015 year**?

If YES, you can claim these expenses and go to Step 6.

If **NO**, you cannot deduct taxes for this year that were paid in another year. Go to Step 6.

step
6

Are you legally liable for a home mortgage loan?

If YES, go to Step 7.

If **NO**, you cannot take an interest expense for a mortgage for which you are not legally liable. Go to Step 11.

Note: See the Extenders Tab for information relating to the Optional Sales Tax & Qualified Mortgage Insurance Premiums.



Interview Tips – Itemized Deductions (continued)

interview
tips

step 7	Was the mortgage a secured debt on a main or second home?	If YES, go to Step 8. If NO, you cannot take an interest expense. Go to Step 11.
step 8	Did you pay the mortgage interest in this tax year?	If YES, go to Step 9. If NO, you cannot take the mortgage interest deduction. Go to Step 11.
step 9	Did you take out the mortgage on or before October 13, 1987?	If YES, your mortgage interest is fully deductible. Go to Step 10. If NO, follow the flowchart, <i>Is My Home Mortgage Interest Fully Deductible</i> in Publication 17 to determine what is deductible. Go to Step 11.
step 10	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 <i>Are My Points Fully Deductible This Year</i> flowchart in Publication 17 and then go to Step 11. If NO, go to Step 11. See note below chart.
step 11	Did you make a cash contribution to a qualified organization?	If YES, you must have a written record from that particular organization, and then go to Step 12. If NO, go to Step 12.
step 12	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 13. If NO , Go to Step 14.
step 13	Is the total of all noncash donations \$500 or less? Note: If more than \$500, refer taxpayer to a professional tax preparer.	If YES, see Publication 17 for more details. If NO , this is beyond the scope of VITA/TCE. Refer taxpayer to a professional tax preparer.
step 14	Do you have any employee, job hunting or investment expenses?	If YES, report the expenses on Schedule A, <i>Job Expenses and Certain Miscellaneous Deductions</i> . If NO , your employee and investment expenses are not deductible.

Note: If you refinanced in an earlier year, and were not eligible to take all the points in that year, you can add in this year's portion of those prior year points.

Schedule A – Itemized Deductions

US Schedule A		Itemized Deductions	
Name:	<input type="text"/>	SSN:	<input type="text"/>
Medical and Dental Expenses			
1	Unreimbursed medical and dental expenses	0.	
2	Amount from Form 1040, line 38	0.	
3	Multiply line 2 by 10%. If the taxpayer or spouse was born before January 2, 1950, multiply line 2 by 7.5% instead Check here if the filing status is married filing separately or head of household and the taxpayer's spouse is 65 or over <input type="checkbox"/>	0.	
4	Subtract line 3 from line 1		0.
Taxes You Paid			
5	State and local taxes. Only one box can be checked.		
a	<input type="checkbox"/> Income taxes	0.	
b	<input type="checkbox"/> General sales tax	0.	0.
6	Real estate tax remainder from Form 8829 Real estate tax remainder from part rental worksheets Real estate taxes on your principal residence, not listed above TSJ: _____ Other real estate taxes you paid, not listed elsewhere in this tax return TSJ: _____	0.	0.
7	Personal property tax remainder from business vehicle worksheet Personal property taxes, not listed above TSJ: _____	0.	0.
8	Other taxes Type _____ TSJ: _____	0.	0.
9	Add lines 5 through 8		0.
Interest You Paid			
10	Home mortgage interest remainder from Form 8829 Home mortgage interest remainder from part rental worksheets Form 8396 credit, if applicable TSJ: _____ Home mortgage interest and points from Form 1098, not listed above TSJ: _____	0.	0.
11	Home mortgage interest not reported on Form 1098. If paid to an individual, show the person's name, ID number, and address. Individual's name _____ ID number _____ Address _____ Amount TSJ: _____	0.	0.
12	Points not reported on Form 1098 TSJ: _____	0.	0.
13	Total mortgage insurance premiums TSJ: _____ Allowed mortgage insurance premiums	0.	0.
14	Investment interest. Attach Form 4952, if required TSJ: _____	0.	0.
15	Add lines 10 through 14		0.

Link to Itemized Detail sheet from Sch A, line 1 for breakout of medical expenses. Some senior residences have amount in the monthly cost which is a medical expense.

Link to F/S Tax Paid to enter state and local taxes paid during the tax year in addition to income tax withheld.

See Legislative Extenders Tab.

If taxpayers purchased or sold home in tax year, they may not be able to deduct all Real Estate Taxes. Subtract any property tax refund received at closing. (see Publication 17, Real Estate Taxes for more information).

Enter Vehicle License registration fee if based on value under Personal Property Taxes.

Enter amount from Form 1098, box 1 (and box 2, if applicable). If there are multiple mortgages, link to scratch pad to enter each interest item.

Points from refinancing must be spread over life of mortgage unless used to remodel (see Publication 17, Points).

Loan origination fee from closing statement entered here if not included as points in line 10.

Note: For 2015, medical and dental floor percentage is 10% if under 65 and 7.5% if 65 or older.

Schedule A – Itemized Deductions (continued)

Gifts to Charity

16	Gifts by cash or check	0.	
17	Other than by cash or check	0.	
18	Carryover from prior year	0.	
19	Add lines 16 through 18	0.	

Casualty and Theft Losses

20	Casualty or theft loss(es). Attach Form 4684	0.	
----	--	----	--

Job Expenses and Most Other Miscellaneous Deductions

21	Unreimbursed employee expenses - job travel, union dues, job education, etc. Amount from Form 2106 or 2106-EZ	0.	
22	Tax preparation fees	0.	
23	Other expenses - investment expense, safe deposit box, etc. Type	0.	
24	Add lines 21 through 23	0.	
25	Amount from Form 1040, line 38	0.	
26	Multiply line 25 by 2%	0.	
27	Subtract line 26 from line 24	0.	

Other Miscellaneous Deductions

28	Type	0.	
----	------------	----	--

Total Itemized Deductions

29	Is the adjusted gross income over \$152,525? <input checked="" type="checkbox"/> No. The deduction is not limited. Total of lines 4 through 28. <input type="checkbox"/> Yes. Deductions may be limited. See the worksheet below. Total allowed itemized deductions	0.	
----	---	----	--

30 If you elect to itemize deductions even though they are less than the standard deduction, calculated from Form 1040, page 2

Worksheet for Itemized Deductions		
	Federal	State
1 Total itemized deductions	0.	0.
2 Gambling losses 0. lines 4, 14, and 20	0.	0.
3 Subtract. If -0-, line 1 is entered on line 29 above	0.	0.
4 Multiply worksheet line 3 by 80%	0.	0.
5 Form 1040, line 38	0.	0.
6 \$305,050 if married filing jointly or qualifying widow(er), \$254,200 if single, \$279,650 if head of household, or \$152,525 if married filing separately	0.	0.
7 Subtract. If -0-, line 1 is entered on line 29 above	0.	0.
8 Multiply worksheet line 7 by 3%	0.	0.
9 Smaller of worksheet line 4 or line 8	0.	0.
10 Subtract line 9 from line 1. Entered on line 29 above	0.	0.

Link to Itemized Detail sheet from Sch A.

Casualty and Theft Losses **out-of-scope**.

Link to Form 2106 or Form 2106-EZ. (Military Certification required)

Hint: Job-related education expenses not used elsewhere can be entered here. For other unreimbursed employee expenses see Pub 17.

Hint: (Military Certification only), On the entry screen for Form 2106 page 1, there is a box at the bottom for "Minister, QPA, FBO, RC, and Impairment Related Work Expenses." On the line to the right of RC, enter the portion of the amount from Line 10 of Form 2106 that is due to reservist travel expenses over 100 miles. You can link from the entry field to a scratch pad to add up the separate items (vehicle expenses, lodging and 50% of food) if you wish. The software will carry the "RC" reservist expenses to line 24 on the front of Form 1040, and the remainder to line 21 of Schedule A.

Link to misc deductions Sch A, line 23.

Schedule A Nondeductible Items

- **Medical:** cosmetic surgery; funeral/burial; nonprescription drugs (except insulin) or prescribed drugs which were purchased over the counter; weight loss program not prescribed; diet food.
- **Taxes:** fees/licenses (drivers, marriage, dog); assessments for improvements that increase property value; assessments for services to the property (sewer, trash collection, etc.).
- **Contributions:** political; country club/fraternal lodge; raffle, bingo, or lottery tickets; tuition; value of time/services; gifts to lobby groups; civic leagues, social clubs; labor unions.
- **Miscellaneous:** commuting; home repair; rent; loss from sale of home; personal legal expenses; lost/misplaced cash or property; fines/penalties.

Itemized Deductions Detail Worksheet

US Schedule A		Itemized Deduction Detail Worksheet	
Name: <input style="width: 300px;" type="text"/>		SSN: <input style="width: 100px;" type="text"/>	
If you need more worksheets, F9 on the additional worksheet entry in each category below.			
<p>Medical Expenses Prescription medicines, legally obtained drugs, insulin, doctors, dentists, nurses, eyeglasses, health insurance premiums, transportation for medical treatment, and nonprescription medical supplies, such as crutches. Do not list any amounts paid with pre-tax dollars or reimbursed by insurance, HSA, MSA. Use the + field to indicate ownership. T for taxpayer, S for spouse, J for joint.</p>			
Medical miles: Taxpayer: <input style="width: 50px;" type="text"/> 0 Spouse: <input style="width: 50px;" type="text"/> 0 Total: <input style="width: 50px;" type="text"/> 0 x .235 = <input style="width: 50px;" type="text"/> 0.			
Insurance premiums paid (not pre-tax) health, dental, cancer. Omit amounts used on Form 8885. Taxpayer <input style="width: 50px;" type="text"/> 0. Spouse <input style="width: 50px;" type="text"/> 0.	0.	Medicare from 1040 worksheet Remainder from worksheets Self-employed health insurance Taxpayer <input style="width: 50px;" type="text"/> 0. Spouse <input style="width: 50px;" type="text"/> 0.	0. 0. 0.
Qualified long term care contracts Enter the amount before limitation. Taxpayer <input style="width: 50px;" type="text"/> 0. Spouse <input style="width: 50px;" type="text"/> 0. Taxpayer - limited . <input style="width: 50px;" type="text"/> 0. Spouse - limited . . . <input style="width: 50px;" type="text"/> 0.	0.	Self-employed long term care Taxpayer <input style="width: 50px;" type="text"/> 0. Spouse <input style="width: 50px;" type="text"/> 0.	0. 0.
Other medical expenses + _____ <input style="width: 50px;" type="text"/> 0. _____ <input style="width: 50px;" type="text"/> 0. _____ <input style="width: 50px;" type="text"/> 0. _____ <input style="width: 50px;" type="text"/> 0. _____ <input style="width: 50px;" type="text"/> 0.	0.	_____ <input style="width: 50px;" type="text"/> 0. _____ <input style="width: 50px;" type="text"/> 0. _____ <input style="width: 50px;" type="text"/> 0. F9 for additional worksheets	0. 0. 0. 0.
Total		Total	
<p>Contributions to Charity If contributions exceed 20% of the AGI: <input style="width: 50px;" type="text"/> 0., list each contribution in the proper category below (50%, 30%, etc). Otherwise, the only sort required is cash and other than cash contributions. Use the + field to indicate ownership. T for taxpayer, S for spouse, J for joint. All gifts must be receipted.</p>			

Itemized Deductions Detail Worksheet (continued)

Cash Contributions								
50% Limit Organizations		Charitable miles: Taxpayer: <u>0</u> Spouse: <u>0</u> Total: <u>0</u> x .14 = <u>0.</u>						
Name of charity	+	Amount	Name of charity	+	Amount			
		0.			0.			
		0.			0.			
		0.			0.			
		0.			0.			
		0.	From Schedules K-1		0.			
		0.	F9 for additional worksheets		0.			
		0.	Total		0.			
30% Limit Organizations		Charitable miles: Taxpayer: <u>0</u> Spouse: <u>0</u> Total: <u>0</u> x .14 = <u>0.</u>						
Name of charity	+	Amount			Amount			
		0.	From Schedules K-1		0.			
		0.	F9 for additional worksheets		0.			
		0.	Total		0.			
Other Than Cash Contributions Use Form 8283 if this total is more than \$500. <u>0.</u>								
50% Limit Organizations Not capital gain property and the FMV is equal to or less than the cost.								
Name of charity	+	Amount			Amount			
		0.	From Forms 8283		0.			
		0.	F9 for additional worksheets		0.			
From Schedules K-1		0.	Total		0.			
30% Limit Capital gain property donated to 50% limit organizations.								
		0.	From Forms 8283		0.			
From Schedules K-1		0.	Total		0.			
30% Limit Not capital gain property donated to 30% limit organizations.								
		0.	From Forms 8283		0.			
From Schedules K-1		0.	Total		0.			
20% Limit Capital gain property donated to 30% limit organizations.								
		0.	From Forms 8283		0.			
From Schedules K-1		0.	Total		0.			
Contribution Carryovers								
	From years 2009 through 2013				To 2015 tax year			
	Cash and other property		Capital gain property		Cash and other property		Capital gain property	
	50%	30%	30%	20%	50%	30%	30%	20%
2009	0.	0.	0.	0.				
2010	0.	0.	0.	0.	0.	0.	0.	0.
2011	0.	0.	0.	0.	0.	0.	0.	0.
2012	0.	0.	0.	0.	0.	0.	0.	0.
2013	0.	0.	0.	0.	0.	0.	0.	0.
2014					0.	0.	0.	0.
Contributions allowed this year								
50% of adjusted gross income							0.	
This year's 50% organization contributions allowed								0.
30% of adjusted gross income							0.	
This year's capital gain contributions to 50% organizations limited to 30%								0.
50% cash carryover allowed								0.
50% capital gain carryover limited to 30%								0.
This year's 30% organization cash and other property contributions allowed								0.
30% organizations cash and other property carryover								0.
20% of adjusted gross income							0.	
This year's capital gain contributions to 30% organizations limited to 20%								0.
30% capital gain carryover limited to 20% AGI								0.
Total contributions allowed this year								0.

Note: Enter amounts given by cash or check under Cash Contributions for 50% Limit Organizations. The 30% & 50% refer to the percentage of your AGI that can be deducted this year. See Publication 17 for definitions. Enter the value of noncash items donated under Other Than Cash Contributions from 50% Limit Organizations. Be careful to list them separately. If noncash contributions are greater than \$500 **Form 8283 must be completed and this form is out-of-scope.**

Travel Expenses

This chart summarizes expenses you can deduct when you travel away from your home for business purposes. (See publication 17 for definition of tax home)

Note: If you are an employee, travel expenses are deductible on Schedule A, Job Expenses and Certain Miscellaneous Deductions subject to the 2% of AGI Limit. If you are self employed, travel expenses are deductible as business expenses on Schedule C.

IF you have expenses for...	THEN you can deduct the cost of...
transportation	travel by airplane, train, bus, or car between your home and your business destination. If you were provided with a ticket or you are riding free as a result of a frequent traveler or similar program, your cost is zero. If you travel by ship, see <i>Luxury Water Travel</i> and <i>Cruise Ships</i> (under <i>Conventions</i>) for additional rules and limits.
taxi, commuter bus, and airport limousine	fares for these and other types of transportation that take you between: <ul style="list-style-type: none"> • The airport or station and your hotel, and • The hotel and the work location of your customers or clients, your business meeting place, or your temporary work location.
baggage and shipping	sending baggage and sample or display material between your regular and temporary work locations.
car	operating and maintaining your car when traveling away from home on business. You can deduct actual expenses or the standard mileage rate, as well as business-related tolls and parking. If you rent a car while away from home on business, you can deduct only the business-use portion of the expenses. Important note: The actual expense method is out of scope for the VITA/TCE program. If the taxpayer is using actual expenses for car expenses, refer the taxpayer to a professional tax preparer.
lodging and meals	your lodging and meals if your business trip is overnight or long enough that you need to stop for sleep or rest to properly perform your duties. Meals include the actual cost or standard deduction for meals and incidental expenses (M&IE). See <i>Meals</i> in Publication 17, Car Expenses and Other Employee Business Expenses for additional rules and limits.
cleaning	dry cleaning and laundry.
telephone	business calls while on your business trip. This includes business communication by fax machine or other communication devices.
tips	tips you pay for any expenses in this chart.
other	other similar ordinary and necessary expenses related to your business travel. These expenses might include transportation to or from a business meal, public stenographer's fees, computer rental fees, and operating and maintaining a house trailer.



Deductible Entertainment Expenses

When Are Entertainment Expenses Deducted?

General rule	You can deduct ordinary and necessary expenses to entertain a client, customer, or employee if the expenses meet the directly-related test or the associated test. If you deduct travel, entertainment, gift, or transportation expenses, you must be able to prove (substantiate) certain elements of the expense.
Definitions	<ul style="list-style-type: none"> • Entertainment includes any activity generally considered to provide entertainment, amusement, or recreation, and includes meals provided to a customer or client. • An ordinary expense is one that is common and accepted in your trade or business. • A necessary expense is one that is helpful and appropriate.
Tests to be met	Directly-related test <ul style="list-style-type: none"> • Entertainment took place in a clear business setting, or • Main purpose of entertainment was the active conduct of business, and You did engage in business with the person during the entertainment period, and • You had more than a general expectation of getting income or some other specific business benefit.
	Associated test <ul style="list-style-type: none"> • Entertainment is associated with your trade or business, and • Entertainment directly before or after a substantial business discussion.
Other rules	<ul style="list-style-type: none"> • You cannot deduct the cost of your meal as an entertainment expense if you are claiming the meal as a travel expense. • You cannot deduct expenses that are lavish or extravagant under the circumstances. • You generally can deduct only 50% of your unreimbursed entertainment expenses (see <i>50% Limit</i>).



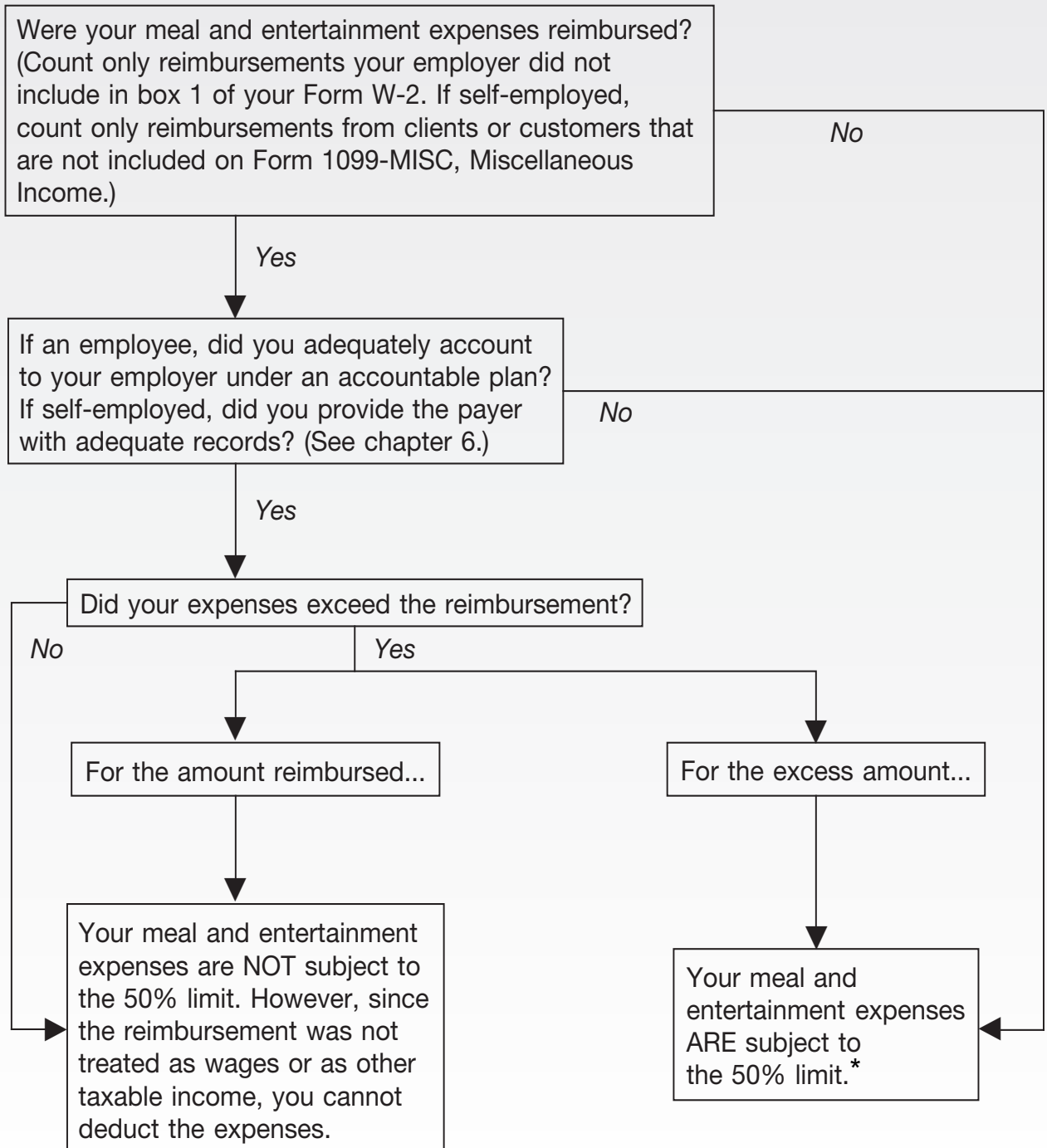
50% Limit

Table 3. Does the 50% Limit Apply to Your Expenses?

There are exceptions to these rules. See Publication 463 for additional guidance.

All employees and self-employed persons can use this chart.

Start Here

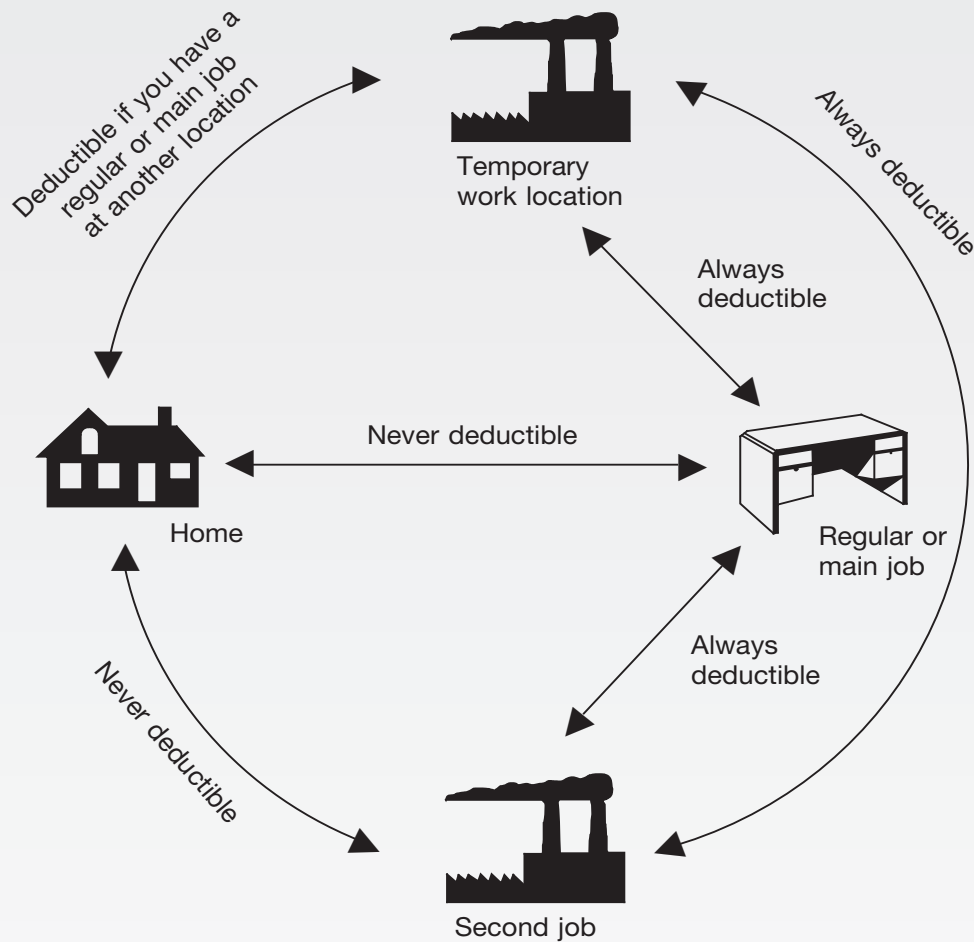


*50% limit for most taxpayers; 80% for those subject to Department of Transportation hours of service. See Publication 463 for more information.



Deductible Transportation Expenses

Most employees and self-employed persons can use this chart.
(Do not use this chart if your home is your principal place of business.)



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

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

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

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



Recordkeeping

How to Prove Certain Business Expenses

If you have expenses for ...	THEN you must keep records that show details of the following elements . . .			
	Amount	Time	Place or Description	Business Purpose Business Relationship
Travel	Cost of each separate expense for travel, lodging, and meals. Incidental expenses may be totaled in reasonable categories such as taxis, fees and tips, etc.	Dates you left and returned for each trip and number of days spent on business.	Destination or area of your travel (name of city, town, or other designation).	<p><u>Purpose:</u> Business purpose for the expense or the business benefit gained or expected to be gained.</p> <p><u>Relationship:</u> N/A</p>
Entertainment	Cost of each separate expense. Incidental expenses such as taxis, telephones, etc., may be totaled on a daily basis.	Date of entertainment. (Also see <i>Business Purpose</i> .)	Name and address or location of place of entertainment. Type of entertainment if not otherwise apparent. (Also see <i>Business Purpose</i> .)	<p><u>Purpose:</u> Business purpose for the expense or the business benefit gained or expected to be gained. For entertainment, the nature of the business discussion or activity. If the entertainment was directly before or after a business discussion: the date, place, nature, and duration of the business discussion, and the identities of the persons who took part in both the business discussion and the entertainment activity.</p> <p><u>Relationship:</u> Occupations or other information (such as names, titles, or other designations) about the recipients that shows their business relationship to you.</p> <p>For entertainment, you must also prove that you or your employee was present if the entertainment was a business meal.</p>
Gifts	Cost of the gift.	Date of the gift.	Description of the gift.	
Transportation	Cost of each separate expense. For car expenses, the cost of the car and any improvements, the date you started using it for business, the mileage for each business use, and the total miles for the year.	Date of the expense. For car expenses, the date of the use of the car.	Your business destination.	<p><u>Purpose:</u> Business purpose for the expense.</p> <p><u>Relationship:</u> N/A</p>

Form 1040, Page 2 – Deductions

Taxable Income and Tax			
38	Amount from line 37 (adjusted gross income)		0
39a	Taxpayer <input type="checkbox"/> 65 or older <input type="checkbox"/> Blind; Spouse: <input type="checkbox"/> 65 or older <input type="checkbox"/> Blind		
	Total boxes checked	0	
b	If you are married filing separately and your spouse itemizes deductions, or you are a dual-status alien, check here or F3	<input type="checkbox"/>	
40	Itemized deductions or standard deduction. If you elect to itemize deductions even though the standard deduction is larger, check here	<input type="checkbox"/>	
	If you were or are a resident of Puerto Rico and are excluding Puerto Rico income, or you are excluding income on Form 4563, check here (section 933)	<input type="checkbox"/>	
41	Subtract line 40 from line 38	12400	-12400
42	Exemptions. Multiply line 6d by \$3,950. If line 38 is over \$152,525 if married filing separately, \$254,200 if single, \$279,650 if head of household, or \$305,050 if married filing joint or qualifying widow(er), the exemption amount is reduced	3950	
43	Taxable income		0
44	Tax. From <input checked="" type="checkbox"/> the tax table or schedule <input type="checkbox"/> Form 8615		
	<input type="checkbox"/> Schedule D Tax Worksheet <input type="checkbox"/> Schedule J		
	<input type="checkbox"/> Foreign earned income tax worksheet		0
	Check if any tax is from		
	<input type="checkbox"/> Form(s) 8814	0	
	<input type="checkbox"/> Form 4972	0	
	<input type="checkbox"/> 962 election. Link from the checkbox to access the required explanation	0	0
	Education credit recapture amount	0	0
45	Alternative minimum tax. Attach Form 6251		0
46	Excess advance premium tax credit repayment. Form 8962		0

If MFS and spouse itemizes, check the box. Standard deduction cannot be used. It does not matter which spouse files first.

If itemizing deductions, link to Sch A Itemized Deductions. Complete the blank fields that apply to the taxpayer's situation.

Note:

- TaxWise® will automatically calculate the standard deduction based on the information collected from the intake and interview sheet and entered into the Main Information Sheet. If the taxpayer cannot take the standard deduction, TaxWise® will prompt the preparer to itemize deductions.
- TaxWise® will automatically calculate a dependent's standard deduction, if the box indicating, "the taxpayer can be claimed on another person's tax return", has been checked in the Main Information Sheet.

Nonrefundable Credits

47	Add lines 44, 45, and 46		0	<i>Link to Form 1116, Foreign Tax Credit page 1, if required.</i>
Nonrefundable Credits				
48	Foreign tax credit. Form 1116, if required		0	<i>Link to Form 2441, page 1.</i>
49	Credit for child and dependent care expenses. Form 2441		0	<i>Link to Form 8863. See Education Benefits tab.</i>
50	Education credits. Form 8863		0	<i>Link to Form 8880.</i>
51	Retirement savings contributions credit. Form 8880		0	<i>See Child Tax Credit Tip and Interview Tips, later.</i>
52	Child tax credit. Schedule 8812		0	
53	Residential energy credits. Form 5695		0	
54	Other credits from Form <input type="checkbox"/> 3800 <input type="checkbox"/> 8801 <input type="checkbox"/> []		0	
55	Total credits. Add lines 48 through 54		0	<i>Hint: Remember, the nonrefundable credits cannot exceed the taxpayer's federal income tax.</i>

Link to Sch R, Credit for the Elderly or Disabled.

Form 8863

Link to Form 8863 Education Credits. Enter each student's name, SSN, and qualified expenses in the appropriate section of Form 8863. TaxWise® does the calculations. You can enter the total amount of qualifying expenses for each student; TaxWise® will apply the limitations. For complete education credit information refer to Tab J- Education Benefits.

Caution: When completing the worksheet for an Education Credit, TaxWise® helps you create an accurate claim, however, TaxWise® will not catch other errors, such as taking more than one benefit for the same student.

Schedule R

If taxpayer qualifies for the credit for the elderly or the disabled, link to Schedule R. If the taxpayer is permanently and totally disabled, check the box in Part II. Otherwise, complete Part III by entering the amount of pensions, annuities or disability benefits that are excluded from income. Refer to the Elderly or Disabled Decision Tree on the last page of this tab.

Residential Energy Credits

For information on the nonbusiness energy property credit, see the Extenders tab.

Form 1116 – Foreign Tax Credit

US 1116 Foreign Tax Credit

Name: _____ SSN: _____

Simplified Limitation Election
 The simplified method cannot be used if you file Form 4563 or exclude income from Puerto Rico. If ALL of your foreign source income is from dividends and interest and all of that income is reported to you on Forms 1099-DIV or 1099-INT and your qualified foreign taxes are not more than \$300 (\$600 if married filing jointly), you do not need to fill out this form. You can enter the foreign tax amount here: _____ of directly on Forms 1040 or 1040NR. By making this election, you forego any carryover of excess foreign taxes to or from a taxable year to which this election applies and this election applies to all later tax years and can only be revoked with IRS consent. Enter the amount of foreign income on Schedules B, as applicable and also on line 16 of Form 1116AMT.

Check only one box. Use a separate Form 1116 for each category of income.

a Passive category income c Section 901(j) income e Lump sum distributions
 b General category income d Income re-sourced by treaty

f Resident of (name of country): _____ Country code: _____

Part I: Taxable Income or Loss from Sources Outside United States for Category Above

g Name of country or possession and country code. Limit to 10 characters for printing. _____

	A	B	C	Total
1a Gross income from sources within country shown above. Type: _____ Income other than capital gains	0	0	0	0
b Check if line 1a is compensation for personal services as an employee, your total compensation from all sources is \$250,000 or more, and you used an alternative basis to determine its source <input type="checkbox"/>				
Foreign source qualified dividends above, if adjustment is required. _____ multiplied by 0.3788. Include _____				
Foreign capital gain. F9 on column A amount below for foreign Schedule D worksheet. The result of the calculation based on the foreign Schedule D will appear in the total and A columns. Enter amounts, if any, in columns B and C.				

ONLY the Simplified Limitation Election section of Form 1116 is in scope for Advanced certification. If qualified foreign taxes are \$300 (\$600 if MFJ) or less, all foreign source income is passive category (such as interest and dividends) and taxpayer meets the other requirements as explained in the Form 1116 Instructions, enter the exact amount of foreign tax paid here. Do not complete the rest of the form.

Note: For the Simplified Limitation Election, link to Form 1116 from Form 1040, and complete the box at the top of the form. TaxWise® will automatically include this amount but will not include Form 1116 with the tax return unless it's required.

FOR INTERNATIONAL CERTIFICATION ONLY:

If the taxpayer does not meet the requirements for the Simplified Limitation Election, complete Form 1116 as follows:

- Top portion: Only report one type of income on each Form 1116. Income from up to three foreign countries may be reported on the same form as long as it is the *same type* of income.
- Part I, line 1a: Enter all foreign income that is taxable by both the foreign country and the U.S.
- Part I, line 3a: If the taxpayer is not itemizing deductions on Schedule A, enter the standard deduction amount on line 3a. If the taxpayer itemizes, refer to Form 1116 instructions for the amounts to include on this line. The tax software will not automatically enter this field.
- Part II: Check the appropriate box, (h) or (i), to 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.
- Part II, column j: Enter the date taxes were paid or accrued.
- Part II, columns k-n: Amounts are entered in foreign currency; columns o-r: amounts are entered in U.S. dollars; and column s: total U.S. dollar amounts only. See Form 1116 Instructions for information about conversion rates.
- Part III: Figure the credit in this section. If the taxpayers have a carryback or carryover, refer them to a professional tax preparer, as this is **out of scope**.
- Part IV: Only needed if the taxpayer files more than one Form 1116 to report more than one type of income or report funds from more than three countries.
- TaxWise® performs the calculations in Parts III and IV.



Child and Dependent Care Credit Expenses

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

Who is a qualifying person?

- A qualifying child who was under the age of 13 when the expenses were incurred and for whom a dependency exemption can be claimed, see caution 1 below.
- Any person who was incapable of self-care whom the taxpayer can claim as a dependent or could have claimed as a dependent except that the person had gross income of more than \$4,000 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 2015 return.
- A spouse who was physically or mentally incapable of self-care.
- The qualifying person must live with the taxpayer more than 1/2 the year.
- Incapable of self-care - Cannot dress, clean, or feed themselves because of physical or mental problems. Also persons who must have constant attention to prevent them from injuring themselves or others.

See Publication 17, ***Child and Dependent Care Credit*** 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 are not an expense for care.
- Expenses for summer day-camp are qualifying, but those for over-night camp are not.

*Refer to the tables on page C-3 for the rules governing who may be claimed as a dependent.

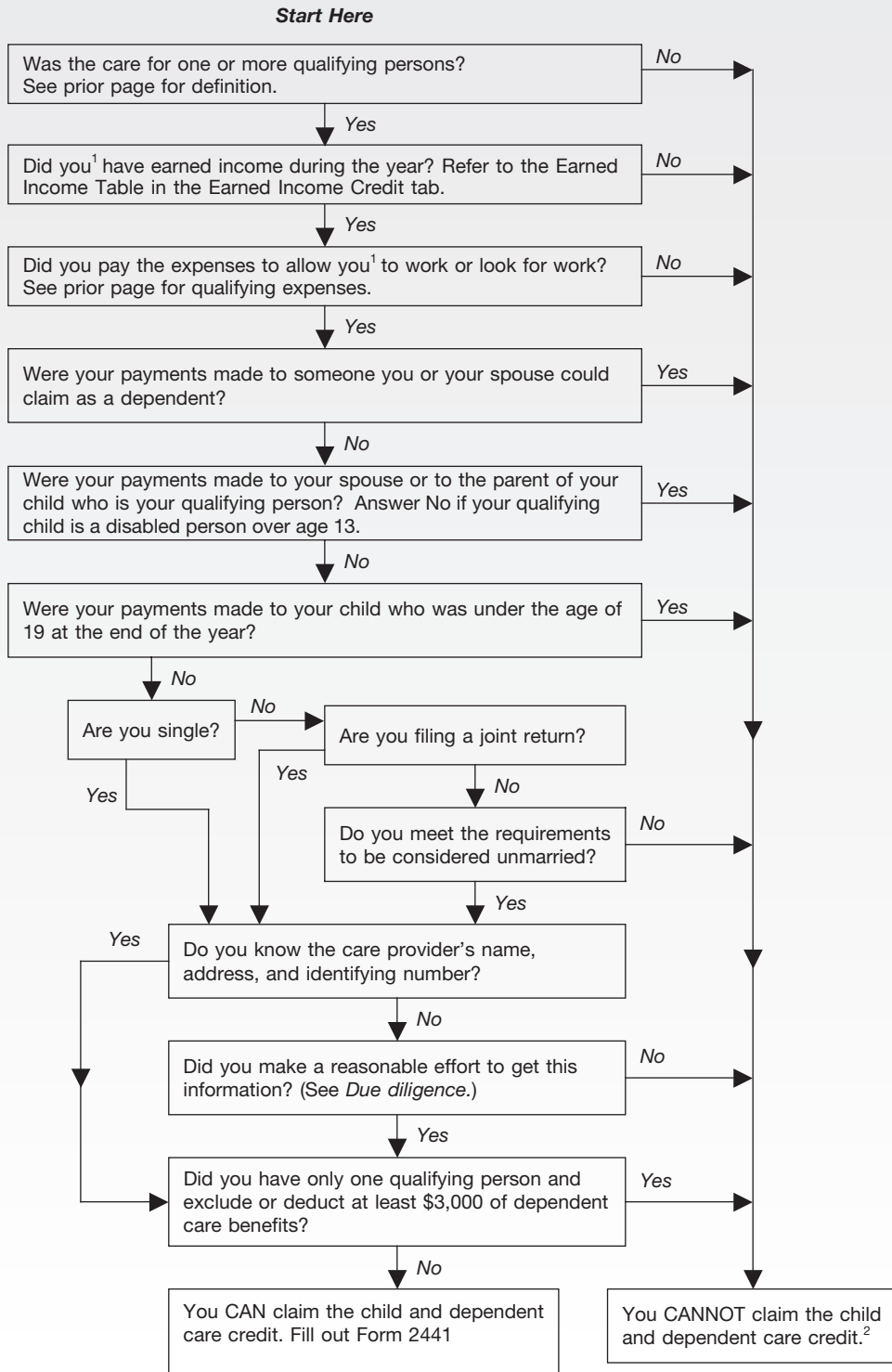
Caution: Only the **custodial** parent may claim the child and dependent care credit even if the child's exemption is being claimed by the non-custodial parent under the rules for divorced & separated parents.

Caution: If Dependent Care Benefits are listed in Box 10 of a W2, then the taxpayer **MUST** complete Form 2441. If Form 2441 is not completed, the Box 10 amount is entered on Line 7 of the 1040 as taxable income.

Note: If the qualifying child turned 13 during the tax year, the qualifying expenses include amounts incurred for the child while under age 13 when the care was provided.

Credit for Child & Dependent Care Expenses – Decision Tree

Can You Claim the Child and Dependent Care Credit



¹ This also applies to your spouse. However, 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.)

² If you had expenses that met the requirements for 2014, except that you did not pay them until 2015, you may be able to claim those expenses in 2015.

Form 2441 – Credit for Child and Dependent Care Expenses

US 2441		Credit for Child and Dependent Care Expenses	
Name: <input style="width: 200px;" type="text"/>		SSN: _____	
Part I: Persons or Organizations Who Provided the Care			
If you need to list more than 2 providers, link from the total field below to the Additional Care Providers and Qualifying Children worksheet.			
1 (a)	Care provider's name	(b) Street address Zip code, city, and state	(c) ID number SSN or EIN
	Code: _____	_____	EIN Type: <input type="checkbox"/> _____
	_____	_____	_____ 0.
	Code: _____	_____	EIN Type: <input type="checkbox"/> _____
	_____	_____	_____ 0.
Total of the line 1 amounts			_____ 0.
Part II: Credit for Child and Dependent Care Expenses			
2 Information about your qualifying person(s).			
To qualify the persons must have shared the same home with you in 2013. If you received dependent care benefits from your employer, fill in page 2 of this form.			
Only list below those expenses not excluded on page 2. Total not excluded on page 2 . . . _____ 0.			
If you need to list more than 2 qualifying persons, link from the total field below to the Additional Care Providers and Qualifying Persons worksheet.			
(a)	Qualifying person's name	(b) Social security number	(c) Qualified expenses + See below.
	First name Last name	_____	_____ 0.
	_____ .. _____	_____	_____ 0.
	* Qualified expenses are those you incurred and PAID in 2013.		_____ 0.
Total of the line 2 amounts			_____ 0.

Important: Make sure the "DC" column is checked on the Main Information Sheet for the applicable dependents.

When the taxpayer has more than two care providers link to the "Providers - Form 2441 Line 1a and 1b."

Line 1 should be total paid for all qualifying care.

Complete part III of 2441 before part II if TP rec'd dependent care benefits on W2.

Line 2 should be total paid minus any dependent care benefits on W-2, or other reimbursement.

If more than 2 children with dependent care expenses, link to new Qualifying Form 2441, line 2 and complete all fields for each qualifying person.

3 Smaller of line 2, \$3,000 for 1 qualifying person, or \$6,000 for 2 or more persons. If you completed Part III, amount from line 31	_____ 0.
4 Your earned income	_____ 0.
5 If married filing jointly, your spouse's earned income is entered. If you or your spouse was a student or disabled, see the worksheet below. All others, amount from line 4	_____ 0.
6 Smallest of lines 3, 4, or 5	_____ 0.
7 Amount from Form 1040, line 38, Form 1040A, line 22, or Form 1040NR, line 37	_____ 0.
8 Amount applicable to the amount on line 7	0.35
If you paid 2012 dependent care expenses in 2013, F9 here to complete the prior year expense worksheet	_____ 0.
9 Multiply line 6 by the decimal amount on line 8, plus prior year amounts shown above	_____ 0.
10 Tax liability limit	_____ 0.
11 Credit for child and dependent expenses. Smaller of line 9 or line 10	_____ 0.

Line 3 should equal total qualified expenses up to the maximum allowable minus any dependent care benefit on W-2.

Link out to scratch pad to subtract any amount earned while incarcerated or on work release.

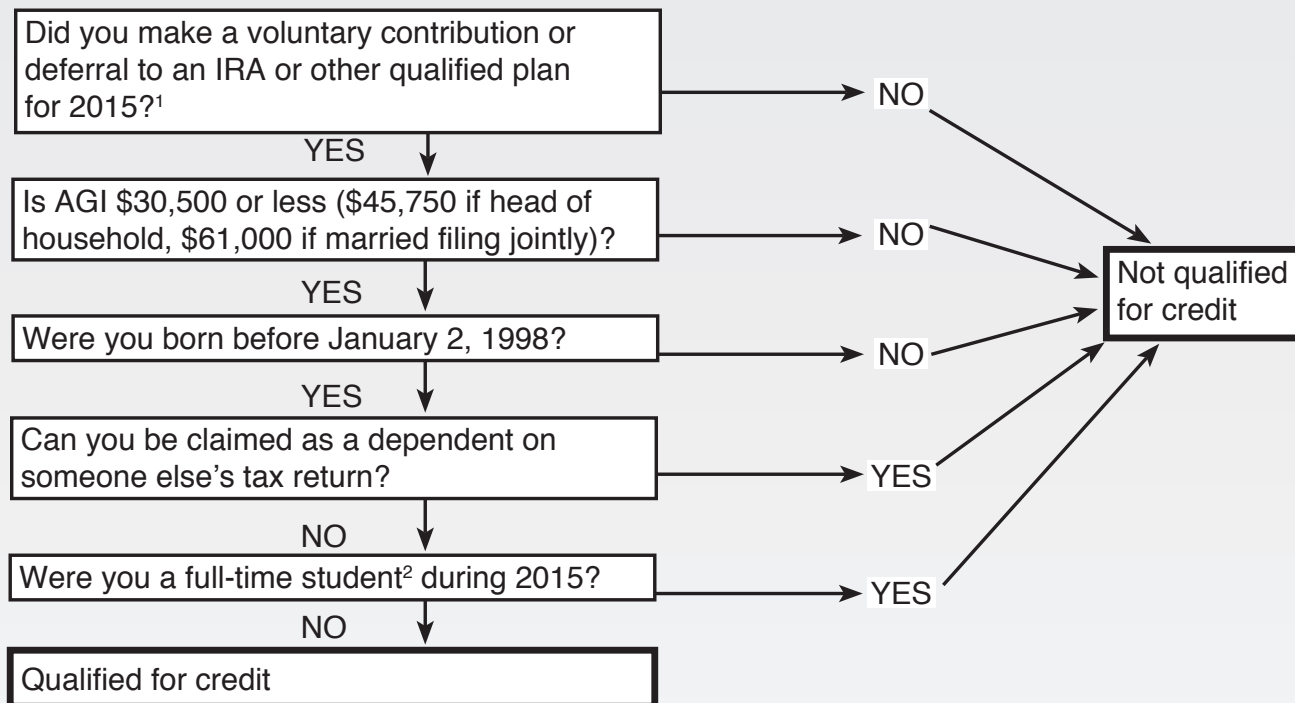
Note - Foreign earned income and housing exclusion, and Medicaid Waiver payments must be subtracted from the wages listed on Line 7 when figuring the credit.

Worksheet for Income Considered Earned by Disabled or Student Spouse	
If you have 1 qualifying person \$250 x <u> 0 </u> months spouse was a _____ student or disabled \$ _____ 0.	If you have two or more qualifying persons \$500 x <u> 0 </u> months spouse was a _____ student or disabled \$ _____ 0.
Check if the care listed above was for a disabled spouse	
<input type="checkbox"/>	

Important: If either spouse is disabled or full-time student, enter the number of months.

Retirement Savings Contributions Credit – Decision Tree

To determine if a taxpayer qualifies for the Credit for Qualified Retirement Savings Contributions, review the return information and ask the taxpayer the following:



¹ Plans that qualify are listed in the Other Credits chapter of Publication 17. Answer yes if the taxpayer will make a qualifying IRA contribution for tax year 2015 by April 18, 2016.

² See Publication 17 for definition of full-time student.

Important Reminders for Retirement Savings Contributions Credit

- Be sure to look at the taxpayer's Form(s) W-2. An entry in box 12 or an "X" in the Retirement box is an indicator that the taxpayer may be eligible for this credit. A full description of all codes used in box 12 can be found in Instructions for Forms W-2 and W-3.
- An entry in box 14 on the W-2 may also indicate a contribution to a state retirement system. Caution: If these are treated as employer contributions they are not eligible for the credit. See Form W-2 Instructions.
- When using tax software, remember to key in all entries as they appear on the Form W-2.
- A contribution to a traditional or Roth IRA qualifies for this credit, but may not appear on any taxpayer document. Remember to review the expenses section on page 2 of the Intake and Interview Sheet and ask taxpayers if they made any IRA contributions.
- Some distributions reduce the eligible contributions for this credit. In addition to distributions for the current year as shown on Forms 1099-R, be sure to ask about distributions in the prior two years and up to the due date of the return.
- See the next page for a list of distributions that do not reduce the eligible contributions for this credit.
- Complete Form 8880 to claim this credit.

Retirement Savings Contributions Credit

TaxWise® will automatically insert Form 8880, *Credit for Qualified Retirement Savings Contributions*, if the taxpayer meets eligibility criteria and any of the following are true:

1. A traditional IRA or ROTH IRA contribution is entered on IRA worksheet after linking from Form 1040, line 32.
2. The taxpayer or spouse's Form W-2 includes box 12 entries of D, E, F, G, H, S, AA, BB, or box 14 amounts are marked as "Qualifies for Form 8880".

Form 8880 will have a red exclamation mark and will need to be completed prior to return completion.

Verify total contribution amounts with the taxpayer.

Form 8880 - Credit for Qualified Retirement Savings Contributions

US 8880		Credit for Qualified Retirement Savings Contributions		2014	
Name: _____		SSN: 111-00-0000			
<p>Caution. You CANNOT claim this credit if EITHER of the following apply.</p> <ul style="list-style-type: none"> The adjusted gross income is more than \$30,000 (\$45,000 if head of household, \$60,000 if married filing jointly). The person(s) who made the qualified contribution or elective deferral <ol style="list-style-type: none"> was born after January 1, 1997, was claimed as a dependent on someone's 2014 tax return, or was a (see instructions). <p>Was the taxpayer a full-time student in 2014? <input type="radio"/> Yes <input type="radio"/> No Was the spouse a full-time student in 2014? <input type="radio"/> Yes <input type="radio"/> No</p>					
		(a) Taxpayer	(b) Spouse		
1	Traditional and Roth IRA contributions for 2014. Transfers from the IRA worksheet.	0	0		
2	Elective deferrals to qualified plans Forms W2 and W2GU, box 12, using codes D, E, F, G, H, S, AA, BB, EE, and box 14 amounts you marked	0	0		
	Self-employed retirement contributions	0	0		
	Other elective deferrals not included above	0	0		
	Elective deferrals to a 401(k) or other qualified employer plan, voluntary employee contributions, and 501(c)(18)(D) plan contributions for 2014. See instructions	0	0		
3	Add lines 1 and 2. If you do not qualify, this line will not total	0	0		
4	Total of all Roth IRA distributions, plus all taxable distributions from other qualified retirement plans, that were made after 2011 and before the due date (including extensions) of your 2014 tax return.	0	0		
	Forms 1099R with the IRA box marked or has a code of 1, S, J, Q, or T included in this tax return	0	0		
	Other distributions received	0	0		
	2012 distributions	0	0		
	Did the taxpayer and spouse file married filing jointly in 2012? <input type="radio"/> Yes <input type="radio"/> No				
	2013 distributions	0	0		
	Did the taxpayer and spouse file married filing jointly in 2013? <input type="radio"/> Yes <input type="radio"/> No				
	2014 distributions before the due date of this tax return, including extensions	0	0		
	Total other distributions. F3 if -0-	0	0		
	Total distributions, taxable and nontaxable. If married filing jointly both spouse's amounts total in both columns, if joint returns were filed in the year of distribution	0	0		
5	Subtract line 4 from line 3. If -0- or less, enter -0-	0	0		
6	Smaller of line 5 or \$2,000	0	0		
7	Add amounts on line 6. If -0-, STOP; you cannot take this credit	0	0		
8	Federal adjusted gross income plus excluded amounts from Forms 2555, 2555EZ, 4563, and excluded Puerto Rico income	0			
9	Applicable decimal amount		x 0.5		
10	Multiply line 7 by line 9		0		
11	Limitation based on tax liability		0		
12	Credit for qualified retirement savings contributions. Smaller of line 10 or line 11		0		

When Form W-2 shows contributions to a qualified plan and is entered into TaxWise® correctly and completely, Form 8880 will appear in red on the forms tree and will need to be completed. TaxWise® will do the credit calculation.

Enter any distributions in the appropriate section.

Note: Certain distributions received after 2012 and before the due date (including extensions) of your 2015 tax return from any of the following types of plans must be entered on Form 8880, line 4:

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

Distributions from the 3 prior years and current year normal distributions must be entered manually on this form. TaxWise® does not automatically carry-over this information from the Form 1099-R to the Form 8880. If taxpayer took no distributions during the testing period, press F3 to eliminate the red in box 4.

Do not include any:

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

If you filed a joint return in the year of distribution, both spouse's amounts will total in both columns.



Child Tax Credit

This is a credit intended to reduce the tax. This part of the credit is not refundable. The credit is up to \$1,000 per qualifying child.

Qualifying child:

1. Under age 17 at the end of the tax year.
2. A U.S. citizen or U.S. national* or resident alien of the United States. See the ITIN Returns tab.
3. Claimed as your dependent.**
4. Your:
 - a. son or daughter, adopted child, stepchild, eligible foster child, or a descendant of any of them
 - b. brother, sister, half brother, half sister, stepbrother, stepsister, or a descendant of any of them (for example, your niece or nephew)
5. Did not provide over half of his or her own support.
6. Lived with the taxpayer for more than half of the tax year. (See **Interview Tips for Child Tax Credit for Exception to Time Lived with You** section if the child did not live with the taxpayer for more than half the year.)

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

**Refer to the tables on page C-3 for the rules governing who may be claimed as a dependent.

Caution: 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.



Additional Child Tax Credit – 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 \$3,000 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.

Schedule 8812 is used to calculate the allowable additional child tax credit.

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

Note: You must claim the child as a dependent on your return to qualify for the Child Tax Credit



interview tips

Child Tax Credit

(Remember to apply the steps for each child.)

Probe/Action: Ask the taxpayer:

step 1	Is this child your son, daughter, adopted child, stepchild, foster child, brother, sister, half brother, half sister, stepbrother, stepsister, or a descendant of any of them (for example, your grandchild, niece, or nephew)? A descendant is of any generation.	If YES , go to Step 2. If NO , you cannot claim the child tax credit for this child. STOP if the taxpayer has no other children.
step 2	Is this child under age 17 at the end of the tax year?	If YES , go to Step 3. If NO , you cannot claim the child tax credit for this child. STOP if the taxpayer has no other children.
step 3	Did the child provide over half of his or her own support for the tax year?	If NO , go to Step 4. If YES , you cannot claim the child tax credit for this child. STOP if the taxpayer has no other children.
step 4	Did the child live with you for more than half of the tax year? If the child did not live with you for the required time, see the following notes below the chart: <ul style="list-style-type: none"> • Exception to Time Lived with You • Kidnapped Child • Children of Divorced or Separated Parents or Parents who live apart. 	If YES , go to Step 5. If NO , you cannot claim the child tax credit for this child. STOP if the taxpayer has no other children.
step 5	Is this child a U.S. citizen, U.S. national, or resident alien of the United States? Note: A national is an individual who, although not a U.S. citizen, owes his or her allegiance to the United States. U.S. nationals include American Samoans and Northern Mariana Islanders who chose to become U.S. nationals instead of U.S. citizens. See ITIN Return tab for definition of Resident Alien.	If YES , go to Step 6. If NO , you cannot claim the child tax credit for this child. STOP if the taxpayer has no other children.

Questions: Who Must Use Publication 972?

step 6	Are you excluding income from Puerto Rico or are you filing Form 2555, Form 2555-EZ (relating to foreign earned income), or Form 4563, <i>Exclusion of Income for Bona Fide Residents of American Samoa</i> ?	If NO , go to Step 7. If YES , you must use Publication 972 to figure the credit.
step 7	Are you claiming any of the following credits? <ul style="list-style-type: none"> • Adoption Credit, a residential energy credit, Form 5695, Part II; Mortgage Interest credit, Form 8396; District of Columbia first-time homebuyer credit, Form 8859. 	If NO , use the Child Tax Credit Worksheet to figure the credit. If YES , you must use Publication 972 to figure the credit.

Exception to Time Lived with You

A child is considered to have lived with you for all of the current tax year if the child was born or died in 2015 and your home was this child's home for the entire time he or she was alive. Temporary absences for special circumstances, such as for school, vacation, medical care, military service, or detention in a juvenile facility, count as time lived at home.

Kidnapped Child

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

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

Modified Adjusted Gross Income Limits

- Married filing jointly - \$110,000
- Single, head of household, or qualifying widow(er) - \$75,000
- Married filing separately - \$55,000

Children of Divorced or Separated Parents

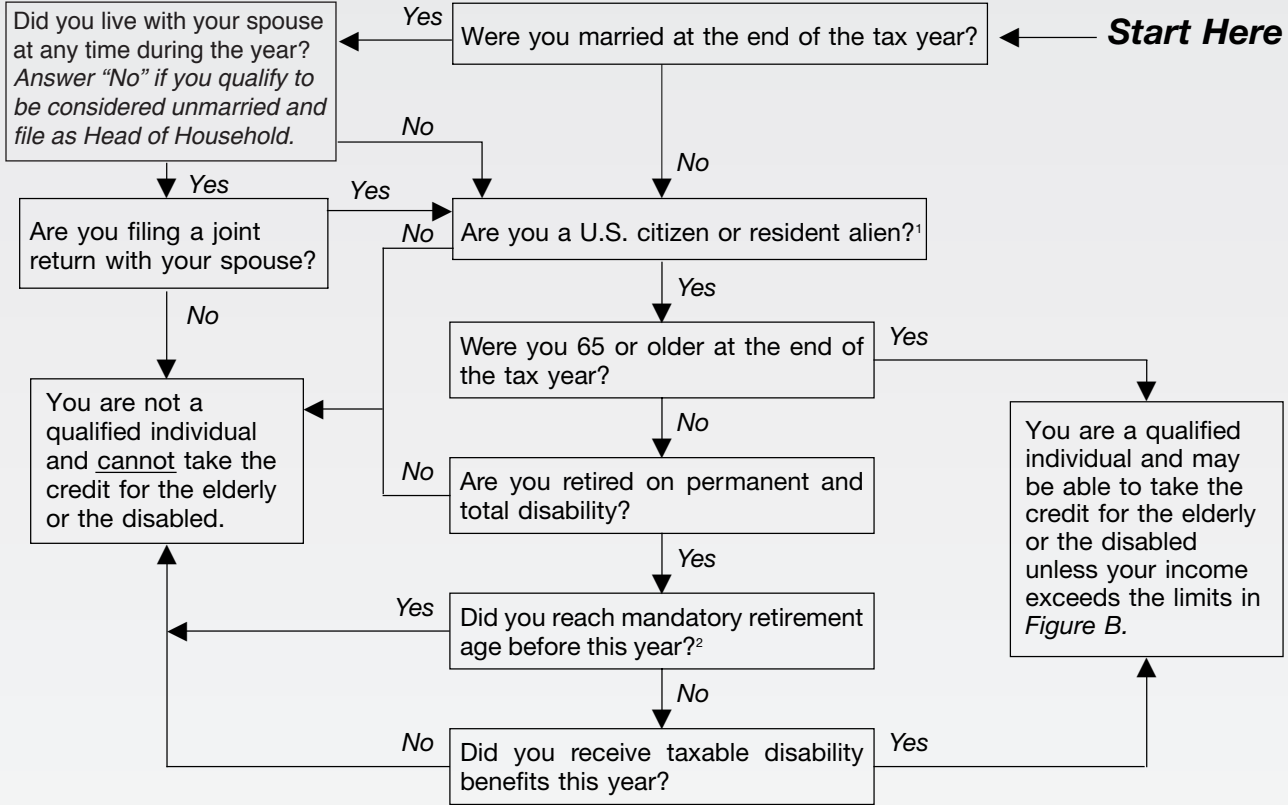
A child will be treated as being the qualifying child of his or her noncustodial parent if all of the following apply:

- The parents were divorced or legally separated or lived apart at all times during the last 6 months of the current tax year.
- The child received over half of his or her support for the current tax year from the parents.
- The child was in the custody of one or both of the parents for more than half of the current tax year.
- A decree of divorce or separate maintenance or written separation agreement that applies to the current tax year provides that (a) the noncustodial parent can claim the child as a dependent, or (b) the custodial parent will sign a written declaration that he or she will not claim the child as a dependent for the current tax year.
- The custodial parent signs Form 8332 or similar statement that he or she will not claim the child as a dependent in the current tax year. If the divorce decree or separation agreement went into effect before 2009, the non custodial parent may be able to attach certain pages of the decree or agreement instead of Form 8332.

Credit for the Elderly or the Disabled – Decision Tree

Use the following chart to determine if the taxpayer is eligible for the Credit for the Elderly or the Disabled:

Figure A. Are You a Qualified Individual?



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

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

Figure B. Income Limits

IF your filing status is . . .	THEN, even if you qualify (see <i>Figure A</i>), you CANNOT 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(s) is equal to or more than . . .
single, head of household, or qualifying widow(er) with dependent child	\$17,500	\$5,000
married filing a joint return and both spouses qualify in <i>Figure A</i>	\$25,000	\$7,500
married filing a joint return and only one spouse qualifies in <i>Figure A</i>	\$20,000	\$5,000
married filing a separate return	\$12,500	\$3,750

* AGI is the amount on Form 1040A, line 22, or Form 1040, line 38.

Tax Software Hint: The software will calculate the credit and complete the Schedule R if the date of birth is provided. Be sure to include the taxpayer's total social security benefits, regardless of the taxability, to ensure the correct calculation of the credit. If you see this credit on the taxpayer's return, double-check that social security benefits have been entered correctly.

Form 1040, Page 2 – Other Taxes and Payments

Hint: TaxWise® provides all the forms and schedules you need in order to figure and report these taxes, and in most cases, performs the calculations. You may link to these forms from the applicable line on the Form 1040 TaxWise® screen.

Other Taxes	57	Self-employment tax. Attach Schedule SE	57
	58	Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919	58
	59	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	59
	60a	Household employment taxes from Schedule H	60a
	60b	b First-time homebuyer credit repayment. Attach Form 5405 if required	60b
	61	Health care: individual responsibility (see instructions) Full-year coverage <input type="checkbox"/>	61
	62	Taxes from: a <input type="checkbox"/> Form 8959 b <input type="checkbox"/> Form 8960 c <input type="checkbox"/> Instructions; enter code(s)	62
	63	Add lines 56 through 62. This is your total tax	63

For those with HSA certification only. Additional taxes for HSA distributions not used for qualified medical expenses may be applicable unless age 65, disabled, or deceased See Form 8889. All other taxes on this line are out-of-scope.

Form 5329

US 5329 Additional Taxes on Qualified Plans and Other Favored Accounts 2014

Name: _____ SSN: 111-00-0000

Check if filing this form by itself and not with your tax return

Address: _____
 City, state, Zip code: _____
 Foreign country code and state: _____
 Foreign postal code: _____

Check if amended:

Part-year resident state: _____

Part I: Additional Tax on Early Distributions

1 Early distributions included in income _____ 0
 2 Early distributions on line 1 that are not subject to additional tax. Enter the appropriate exception number (01-12). F3 if highlighted and no exception applies _____ 0
 3 Amount subject to additional tax _____ 0
 4 **Additional tax.** 10% of line 3. SIMPLE plans are taxed at 25% instead of 10%. _____ 0

Distribution from SIMPLE plans shown on Forms 1099R _____ 0

Part II: Additional Tax on Certain Distributions From Education Accounts

5 Distributions included in income from Coverdell ESAs and QTPs. Transferred from 1040 Worksheet 2 _____ 0
 6 Distributions included on line 5 that are not subject to the additional tax _____ 0
 7 Amount subject to additional tax _____ 0
 8 **Additional tax.** 10% of line 7 _____ 0

Part III: Additional Tax on Excess Contributions to Traditional IRAs

9 Excess contributions from line 16 of your 2013 Form 5329 _____ 0
 10 If your traditional IRA contributions for 2014 are less than your maximum allowable contribution, see instructions _____ 0
 11 2014 traditional IRA distributions included in income _____ 0
 12 2014 distributions of prior year excess contributions _____ 0
 13 Add lines 10, 11, and 12 _____ 0
 14 Prior year excess contributions _____ 0
 15 Excess contributions for 2014 _____ 0

16 Total excess contributions _____ 0
 17 **Additional tax due.** 6% of the smaller of line 16 or the value of your traditional IRAs on December 31, 2014 (including 2014 contributions made in 2015). Enter the value of your traditional IRAs on December 31, 2014 _____ 0

Part IV: Additional Tax on Excess Contributions to Roth IRAs

18 Excess contributions from line 24 of your 2013 Form 5329 _____ 0
 19 If your Roth IRA contributions for 2014 are less than your maximum allowable contribution, see instructions _____ 0
 20 2014 distributions from Roth IRAs _____ 0
 21 Add lines 19 and 20 _____ 0
 22 Prior year excess contributions _____ 0
 23 Excess contributions for 2014 _____ 0
 24 Total excess contributions _____ 0
 25 **Additional tax due.** 6% of the smaller of line 24 or the value of your Roth IRAs on December 31, 2014 (including 2014 contributions made in 2015). Enter the value of your Roth IRAs on December 31, 2014 _____ 0

Enter exception code and amount not subject to additional tax. Codes are listed on next page

Self Employment Tax –

Entered automatically from Schedule SE. TaxWise® calculates the amount using the entries from Schedule C.

Unreported Social Security and Medicare Tax –

Comes from Form 4137 Tip income not reported on Form W-2.

Additional Tax on IRA's and Other Qualified Plans –

A 10% penalty is calculated on Form 5329 for early withdrawal before age 59-1/2. If an exception applies, enter the code and the amount on line 2 of Form 5329. See codes on next page.

Household Employment Taxes – (out-of-scope) Repayment of First-Time Homebuyer Credit Form 5405 –

2008 homebuyers who received the First Time Homebuyer Credit (\$7,500 loan) started repayments in 2010 and must enter the repayment on page 2 of Form 1040, Other Taxes section or complete Form 5405, Part II if required. (See 5405 instructions for when it is required.)

Other Taxes and payments cont.

Exception Codes and explanations for Premature Distributions from IRA or Retirement Plans:

No. Exception

01	Qualified retirement plan distributions (does not apply to IRAs) if you separated from service in or after the year you reach age 55 (age 50 for qualified public safety employees).
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).
03	Distributions due to total and permanent disability.
04	Distributions due to death (does not apply to modified endowment contracts).
05	Qualified retirement plan distributions up to (1) the amount you paid for unreimbursed medical expenses during the year minus (2) 10% (7.5% if TP or Spouse is 65 or older) of your adjusted gross income for the year.
06	Qualified retirement plan distributions made to an alternate payee under a qualified domestic relations order (does not apply to IRAs).
07	IRA distributions made to unemployed individuals for health insurance premiums.
08	IRA distributions made for higher education expenses.
09	IRA distributions made for purchase of a first home, up to \$10,000.
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	Other (see <i>Other</i> , below). Also, enter this code if more than one exception applies. *

*Other: 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. See Form 5329 Instructions for additional exceptions.

For additional exceptions that apply to annuities, see Pub. 575.

Payments <div style="border: 1px solid black; border-radius: 10px; padding: 5px; width: fit-content; margin-top: 10px;"> If you have a qualifying child, attach Schedule EIC. </div>	64	Federal income tax withheld from Forms W-2 and 1099	64		
	65	2014 estimated tax payments and amount applied from 2013 return	65		
	66a	Earned income credit (EIC)	66a		
	b	Nontaxable combat pay election 66b	66b		
	67	Additional child tax credit. Attach Schedule 8812	67		
	68	American opportunity credit from Form 8863, line 8	68		
	69	Net premium tax credit. Attach Form 8962	69		
	70	Amount paid with request for extension to file	70		
	71	Excess social security and tier 1 RRTA tax withheld	71		
	72	Credit for federal tax on fuels. Attach Form 4136	72		
	73	Credits from Form: a <input type="checkbox"/> 2439 b <input type="checkbox"/> Reserved c <input type="checkbox"/> Reserved d <input type="checkbox"/>	73		
	74	Add lines 64, 65, 66a, and 67 through 73. These are your total payments ▶	74		

Note: See current Form 1040 for updated line numbers for all screen shots in this section.

Other Taxes and payments cont.

Federal Income Tax Withheld –

Entered automatically from the entries made on Forms W-2, 1099, SSA 1099, etc. For Form 1099 withholding not listed elsewhere (e.g. 1099-B), enter on the line below “Federal Income Tax Withheld” or if there are multiple amounts link from the “Federal withholding from 1099s” field and enter on a New Scratch Pad.

2016 Estimated Tax Payments –

Link to F/S Tax Paid Federal Estimate/State Payment for current tax year and enter:

- Any refund amount from last year that was credited toward estimated taxes for the current year.
- Enter payment dates shown on taxpayer’s checks.
- Enter actual amount paid in each quarter.

Earned Income Credit – See Earned Income Credit tab

TaxWise® recognizes EIC eligibility and calculates the credit automatically. When qualifying children are included on the return, the “EIC” box on the MAIN INFO form must be checked. “Sch EIC Wkt-Earned Income Credit Worksheet” will appear in forms tree with red exclamation mark. Answer all questions to remove the red on the worksheet. Schedule EIC will be completed automatically. When completing Sch EIC, answer only question 4a OR 4b – answering both causes the return to be rejected by the IRS.

Additional Child Tax Credit –

TaxWise® computes this credit automatically if a taxpayer’s tax liability is less than the allowable non-refundable Child Tax Credit. The additional CTC is limited to the 15% of any earned income (excluding penal income) above the current year’s limit (\$3,000 for 2015). The total of the two credits will be \$1000 or less per eligible child.

Refundable Education Credit (American Opportunity Tax Credit Form 8863) –

Link to Form 8863. Completion of the form will enter the appropriate refundable portion automatically.

Amount Paid with Request for Extension of Time to File

Directly enter any payment made. When preparing a Prior year return, remember to ask if payments have been made.

Excess Social Security –

Calculated automatically if there are multiple W-2s for an individual and the combined wages exceed the maximum subject to Social Security for the year.

Credits from Form –

2439, 4136, 8801, 8885, 8689 (out-of-scope)

73	Credits from Form	<input type="checkbox"/> 2439 <input type="checkbox"/> Reserved <input type="checkbox"/> Reserved <input type="checkbox"/>		
	I.R.C. Section 1341 credit			0
	From Form 8689			0
74	Total payments.	Add lines 64, 65, 66a and 67 through 73		0
Refund				
75	Amount overpaid			0

Amount Overpaid –

Calculated automatically.

Amount to be Refunded –

Calculated automatically. Refer to Form 8888, “Split Refund Option” including Savings Bonds purchases and “Pointers for Direct Deposit of Refunds.”

Amount to be Applied to 2016 Estimated Tax –

Link to New Scratch Pad to designate estimated payment amount.

76	Amount to be refunded		<input type="checkbox"/>	0
	If Form 8888 is attached, check here			
	Direct Deposit	Routing number: <input type="text"/>	Checking: <input type="radio"/>	Savings: <input type="radio"/>
		Account number: <input type="text"/>		
77	Amount to be applied to 2016 estimated tax			0

Estimated Tax Penalty –

Form 2210 will be defaulted in TaxWise® and \$0 will be reflected on line 9. Inform taxpayers they may receive a penalty notice from the IRS.



Earned Income Table

Earned Income	
Includes	Does not include
<ul style="list-style-type: none"> ■ Taxable wages, salaries, and tips ■ 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 ■ Non-Employee 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) 	<ul style="list-style-type: none"> ■ Interest and dividends ■ Social security 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 are not reported on Form W-2 ■ Earnings for work performed while an inmate at a penal institution or on work release* ■ 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 ■ Excludable dependent care benefits (line 24 of Form 2441) ■ Salary reductions such as under a cafeteria plan ■ Excludable employer-provided educational assistance benefits (may be shown in box 13 of Form W-2) ■ Anything else of value received from someone for services performed, if it is not currently taxable, which include Medicaid waiver payments that have been excluded from income.



Common EIC Filing Errors

- Claiming a child who does not 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
- TaxWise® EIC worksheet is completed incorrectly

***Note:** This particular income is subtracted from the earned income on the TaxWise EIC Worksheet in the section titled Figure Your Credit.



Summary of EIC Eligibility Requirements

Part A Rules for Everyone	Part B Rules If You Have a Qualifying Child	Part C Rules If You Do Not Have a Qualifying Child
Taxpayers & qualifying children must all have SSN that is valid for employment.	Child must meet the relationship, age, residency test and joint return tests. If child is married, see additional rules in Publication 17.	Must be at least age 25 but under age 65 as of December 31.*
Filing status cannot be married filing separately.	Qualifying child cannot be used by more than one person to claim the EIC.	Cannot be the dependent of another person.
Must be a U.S. citizen or resident alien all year.	The taxpayer cannot be a qualifying child of another person.	Must have lived in the United States more than half the year.
Cannot file Form 2555 or Form 2555-EZ (relating to foreign earned income).		Cannot be a qualifying child of another person.
Investment income must be \$3,400 or less.		
Cannot be a qualifying child of another person.		

Part D

Earned Income and AGI Limitations

You must have earned income to qualify for this credit.

Your earned income and AGI must be less than:

- \$47,747 (\$53,267 for married filing jointly) if you have three or more qualifying children,
- \$44,454 (\$49,974 for married filing jointly) if you have two qualifying children,
- \$39,131 (\$44,651 for married filing jointly) if you have one qualifying child, or
- \$14,820 (\$20,330 for married filing jointly) if you do not have a qualifying child.



Disallowance of the Earned Income Credit

Form 8862, *Information to Claim Earned Income Credit After Disallowance*, must be completed for any taxpayer whose EIC claim was denied or reduced for any reason other than a math or clerical error. If the taxpayer's EIC was denied or reduced as a result of a math or other clerical error, Form 8862 is not required.

If the IRS determined a taxpayer claimed the EIC due to reckless or intentional disregard of the EIC rules the taxpayer cannot claim the EIC for 2 tax years. If the error was due to fraud, then the taxpayer cannot claim the EIC for 10 tax years. See Publication 596, *Earned Income Credit*, for specific guidance.

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

Note: Taxpayers meeting the above age criteria should file a paper return to avoid a potential rejected electronic filed return.



EIC General Eligibility Rules

interview tips

Probe/Action: Ask the taxpayer:

<p>step 1</p>	<p>Calculate the taxpayer’s earned income and adjusted gross income (AGI) for the tax year. Are both less than:</p> <ul style="list-style-type: none"> • \$47,747 (\$53,267 married filing jointly) with three or more qualifying children; • \$44,454 (\$49,974 married filing jointly) with two qualifying children; • \$39,131 (\$44,651 married filing jointly) with one qualifying child; or • \$14,820 (\$20,330 married filing jointly) with no qualifying children? 	<p>If YES, go to Step 2. If NO, STOP. You cannot claim the EIC.</p>
<p>step 2</p>	<p>Do you (and your spouse, if filing jointly) have a social security number (SSN) that allows you to work?*</p> <p>Note: 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.</p>	<p>If YES, go to Step 3. If NO, STOP. You cannot claim the EIC.</p>
<p>step 3</p>	<p>Is your filing status married filing separately?</p>	<p>If YES, STOP. You cannot claim the EIC. If NO, go to Step 4.</p>
<p>step 4</p>	<p>Are you (or your spouse, if married) a nonresident alien?</p> <p>Note: 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.</p>	<p>If YES and you are either unmarried or married but not filing a joint return, STOP. You cannot claim the EIC. If NO, go to Step 5.</p>
<p>step 5</p>	<p>Are you (or your spouse, if filing jointly) filing Form 2555 or Form 2555-EZ (Foreign Earned Income) to exclude income earned in a foreign country?</p>	<p>If YES, STOP. You cannot claim the EIC. If NO, go to Step 6.</p>
<p>step 6</p>	<p>Is your investment income (interest, tax exempt interest, dividends & capital gains) more than \$3,400?</p>	<p>If YES, STOP. You cannot claim the EIC. If NO, go to Step 7.</p>
<p>step 7</p>	<p>Are you (or your spouse, if filing jointly) the qualifying child of another taxpayer?</p>	<p>If YES, STOP. You cannot claim the EIC. If NO, go to the interview tips for EIC—With a Qualifying Child or EIC—Without a Qualifying Child.</p>

***Note:** If your Social Security card says **VALID FOR WORK ONLY WITH DHS AUTHORIZATION**, you **can** use your Social Security number to claim EITC if you otherwise qualify.



interview
tips

EIC with a Qualifying Child

Probe/Action: Ask the taxpayer:

step
1

Does your qualifying child have an SSN that allows him or her to work?

Note: Answer NO only if the child's social security card says "NOT VALID FOR EMPLOYMENT" and his or her SSN was obtained to get a federally funded benefit.

If YES, go to Step 2.
If NO, STOP. You cannot claim the EIC on the basis of this qualifying child.

step
2

Is the child your son, daughter, stepchild, adopted child, or eligible foster child, brother, sister, half brother, half sister, stepbrother, stepsister, or a descendant of any of them?

If YES, go to Step 3.
If NO, STOP. This child is not your qualifying child. Go to interview tips for EIC without a Qualifying Child.

step
3

Was the child any of the following at the end of the tax year:

- Under age 19 and younger than the taxpayer (or spouse, if filing jointly)
- Under age 24 and a full-time student and younger than the taxpayer (or spouse, if filing jointly), or
- Any age and permanently and totally disabled?

If YES, go to Step 4.
If NO, STOP. This child is not your qualifying child. Go to interview tips for EIC without a Qualifying Child.

step
4

Did the child file a joint return for the year?¹

Note: Answer NO if the child and his or her spouse filed a joint return only as a claim for a refund.

If NO, go to Step 5.
If YES, STOP. This child is not your qualifying child (failed the joint return test). Go to interview tips for EIC without a Qualifying Child.

step
5

Did the child live with you in the United States for more than half (183 days for 2015) of the tax year?

Note: 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 is not your qualifying child. Go to interview tips for EIC without a Qualifying Child.

step
6

Is the child a qualifying child of another person?

Note: There may be a case when a qualifying child cannot be claimed by anyone. **Example:** The only parent that the child lives with does not work nor files a tax return and another adult cannot 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 does not meet the joint return test unless you can claim the child's exemption or you cannot claim the child's exemption because you gave that right to the child's other parent.



EIC Without a Qualifying Child

interview
tips

Probe/Action: Ask the taxpayer:

step
1

Can you (or your spouse, if filing jointly) be claimed as a dependent by another person?

If NO, go to Step 2.
If YES, STOP. You cannot claim the EIC.

step
2

Were you (or your spouse, if filing jointly) at least 25 but under age 65 on December 31 of the tax year? Taxpayers born on January 1st are considered to be of age as of December 31st. Taxpayers reaching the age of 65 on January 1st are still considered 64 as of December 31st.

If NO, STOP. You cannot claim the EIC.
If YES, go to Step 3.

step
3

Did you (and your spouse, if filing jointly) live in the United States for more than half (at least 183¹ days) of the tax year?

If NO, STOP. You cannot claim the EIC.
If YES, compute EIC using the appropriate EIC worksheet.

¹ More than 183 days in a leap year.

Note: If you cannot claim the EIC because your qualifying child is treated under the tiebreaker rules as the qualifying child of another person for 2015, you may be able to take the EIC using a different qualifying child, but you cannot take the EIC using the rules for people who do not have a qualifying child.



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 following rules apply:

- 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 do not 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 2015. 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 2015.
- 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 2015.
- 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 2015, but only if that person's AGI is higher than the highest AGI of any of the child's parents who can claim the child.

Note: Subject to the tiebreaker rules, taxpayers have the option to choose which taxpayer will claim the child.

Schedule EIC

US Schedule EIC		Earned Income Credit								
Name: <input style="width: 300px;" type="text"/>		SSN: <input style="width: 100px;" type="text"/>								
<p>Before you begin See the requirements and answer the questions on the Schedule EIC worksheet. If you qualify for the credit and have at least one qualifying child, mark the EIC box on the Main Information Sheet for each qualifying child.</p> <p>If the taxpayer seems to qualify for EIC, but does not, check here for "No" <input type="checkbox"/></p>										
A qualifying child										
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: center;">Is YOUR</th> </tr> <tr> <td style="text-align: center;">son, daughter adopted child, stepchild, grandchild sister, brother, niece, nephew + or foster child</td> </tr> </table>	Is YOUR	son, daughter adopted child, stepchild, grandchild sister, brother, niece, nephew + or foster child	r> A N D ~ ~ ~	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: center;">was (on December 31, 2014)</th> </tr> <tr> <td style="text-align: center;">under age 19 or under age 24 and a full-time student or any age and permanently and totally disabled</td> </tr> </table>	was (on December 31, 2014)	under age 19 or under age 24 and a full-time student or any age and permanently and totally disabled	r> A N D ~ ~ ~	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: center;">who</th> </tr> <tr> <td style="text-align: center;">lived with you in your home in the United States for more than 6 months in 2014</td> </tr> </table>	who	lived with you in your home in the United States for more than 6 months in 2014
Is YOUR										
son, daughter adopted child, stepchild, grandchild sister, brother, niece, nephew + or foster child										
was (on December 31, 2014)										
under age 19 or under age 24 and a full-time student or any age and permanently and totally disabled										
who										
lived with you in your home in the United States for more than 6 months in 2014										
<p>+ A foster child is a child placed with you by an authorized placement agency.</p> <p>Note: If the child lived with you for more than half of 2014 but less than 7 months, enter 7 on line 6. If your child was born or died during the year, and your home was the child's home, enter 12 for the number of months lived with you.</p> <p>If you have at least one qualifying child, go to line 1. But if the child was married or is also a qualifying child of another person, see instructions.</p>										
Qualifying Child Information										
	Child 1	Child 2	Child 3							
1 Child's first name	[REDACTED]	[REDACTED]	[REDACTED]							
Child's last name	[REDACTED]	[REDACTED]	[REDACTED]							
2 Child's SSN	[REDACTED]	[REDACTED]	[REDACTED]							
3 Child's year of birth	[REDACTED]	[REDACTED]	[REDACTED]							
If the child(ren) was born after 1995 and the child(ren) was YOUNGER THAN YOU (OR YOUR SPOUSE IF FILING JOINTLY), skip lines 4a and 4b; go to line 5.										
4a Was the child under age 24 at the end of 2014 a student, and younger than you (or your spouse if filing jointly)? If "Yes", go to line 5.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No							
b Was the child permanently and totally disabled during 2014? ...	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No							
5 Child's relationship to you	[REDACTED]	[REDACTED]	[REDACTED]							
6 Number of months the child lived with you in the U.S. during 2014 If the child was a "kidnapped child", enter "KC" in the appropriate column	[REDACTED]	[REDACTED]	[REDACTED]							

Note: Complete only when there are questions in red.

Caution: Only answer 4a or 4b. DO NOT ANSWER BOTH QUESTIONS.

Schedule EIC – Worksheet

COMPLETE ONLY THOSE QUESTIONS IN RED

US Schedule EIC	Earned Income Credit Worksheet		
Name: <input style="width: 200px;" type="text"/>		SSN: 222-22-2222	
Questions to see if you can claim the earned income credit			
<p>1 Is the taxpayer's filing status married filing separately? <input type="checkbox"/> Yes - STOP. You cannot take the credit <input checked="" type="checkbox"/> No - Go to question 2.</p> <p>2 Does the taxpayer, and the taxpayer's spouse if filing jointly, have a social security number that allows him or her to work or is valid for EIC purposes? For purposes of taking the EIC, an SSN issued by the Social Security Administration is not valid if "Not Valid for Employment" is printed on the social security card and the number was issued solely to apply for or receive a federally funded benefit. Any other SSN issued by the SSA is valid for EIC purposes. <input checked="" type="checkbox"/> No - STOP. You cannot take the credit <input type="checkbox"/> Yes - Go to question 3.</p> <p>3 Is the taxpayer filing Form 2555 or Form 2555-EZ or excluding foreign income? <input type="checkbox"/> Yes - STOP. You cannot take the credit <input checked="" type="checkbox"/> No - Go to question 4a.</p> <p>4a Was the taxpayer a nonresident alien for any part of the year? Check "Yes" if filing as head of household and claiming an exemption for your nonresident alien spouse. <input checked="" type="checkbox"/> Yes - go to question 4b <input type="checkbox"/> No - Go to question 5.</p> <p>b Is the taxpayer's filing status married filing jointly? <input type="checkbox"/> No - STOP. You cannot take the credit <input type="checkbox"/> Yes - Go to question 5. If you checked "Yes" on line 4a and "No" on line 4b, STOP; the taxpayer cannot take the EIC.</p> <p>5 Is the taxpayer's investment income 0. more than \$3,200? <input type="checkbox"/> Yes - STOP. You cannot take the credit <input checked="" type="checkbox"/> No - Go to question 6.</p> <p>6 Could the taxpayer, or the taxpayer's spouse if filing jointly, be a qualifying child of another person? <input checked="" type="checkbox"/> Yes - STOP. You cannot take the credit <input type="checkbox"/> No - Continue.</p>			
If any of the children listed do not qualify based on the answers to 7 through 10, the EIC will not calculate. You will need to go to the Main Information Sheet and uncheck the box for the child(ren) that do not qualify.			
Qualifying children listed on Schedule EIC . . . 			
<p>7 Is either of the following true? • The child is unmarried OR • The child is married and can be claimed as the taxpayer's dependent and is not filing a 2014 joint return (or is filing it only as a claim for refund)</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>8 Did the child live with the taxpayer in the United States for over half of the year?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>9a Do you or the taxpayer know of another person who can claim the child for EIC? If the only other person is the taxpayer's spouse, see the instructions before answering If "Yes", continue.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>b Enter the child's relationship to the other person(s)</p>	 	 	
<p>c Is the other person(s) claiming the EIC based on the child?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>d If the tie-breaker rules apply, would the child be treated as the taxpayer's qualifying child? If "Don't know", explain to the taxpayer that their EIC and other benefits may be disallowed. If "No", the EIC is not allowed.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know
<p>10 Does the qualifying child have an SSN that allows him or her to work and is valid for EIC purposes? See the explanation on line 2 for valid SSNs.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
This child qualifies	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

Hint: TaxWise® will automatically compute EIC with and without non-taxable combat pay and choose the method that is best for the taxpayer.

Hint: Enter income earned while an inmate in a penal institution (including work release) on the TaxWise® EIC Worksheet in the section titled Figure your Credit. TaxWise® will subtract this amount from other earned income. An adjustment may also be needed for Medicaid waiver payments that have been excluded from income.

Caution: Read this question carefully.

Note 1: If the taxpayer has had their EIC previously denied, you will need to complete Form 8862.

Note 2: As with any form, read and answer the questions carefully. Make sure there are no red check marks on Schedule EIC or the Schedule EIC worksheet.

Schedule EIC – Worksheet (continued)

If you took EIC on your 2013 income tax return, was the EIC reduced or disallowed for any reason other than a math or clerical error? If you did not take EIC on your 2013 tax return, check "No" Yes No
If "Yes", Form 8862 needs to be filed with the tax return.

Questions 11 and 12 apply to taxpayers having qualifying children.

11 Is the total of your taxable earned income less than \$38,511 (\$43,941 if married filing jointly) if you have one qualifying child; \$43,756 (\$49,186 if married filing jointly) if you have two qualifying children; \$46,997 (\$52,427 if married filing jointly) if you have three or more qualifying children?
 No - STOP. You cannot take the credit. Yes - Go to question 12.

12 Is your adjusted gross income less than the limits listed in question 11?
 No - STOP. You cannot take the credit. Yes - Figure credit.

Questions 13 through 17 apply to taxpayers having no qualifying children.

13 Was the taxpayer's main home, and the main home of the taxpayer's spouse if filing jointly, in the United States for more than half of the year? Military personnel on extended active duty outside the United States are considered to be living in the United States during that duty period.
 No - STOP. You cannot take the credit. Yes - Go to question 14.

14 Were you, or your spouse if married filing jointly, at least 25 years of age but under age 65 at the end of 2014?
 No - STOP. You cannot take the credit. Yes - Go to question 15.

15 Can someone else claim you, or your spouse if married filing jointly, as a dependent?
 Yes - STOP. You cannot take the credit. No - Go to question 16.

16 Is the total of your taxable earned income less than \$14,590 (\$20,020 if married filing jointly)?
 No - STOP. You cannot take the credit. Yes - Go to question 17.

17 Is your adjusted gross income less than \$14,590 (\$20,020 if married filing jointly)?
 No - STOP. You cannot take the credit. Yes - Figure credit.

Please complete the due diligence section on pages 3 and 4 of Form 8867. Failure to comply with the due diligence requirements for paid preparers could result in a \$500 penalty for each failure.

Figure your credit					
Earned income.					
1 Amount from Form 1040 or 1040A, line 7, 1040EZ, line 1					0.
Enter the amount included in line 1 that was received					
a by penal institution inmates for their work					0.
b as a pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan. This amount should be shown in box 11 of Form W2 and should be included in line 1 above					0.
2 Taxable scholarship or fellowship grant not reported on Form(s) W2					0.
3 Line 1 minus line 1a, line 1b, and line 2					0.
4a If you were self-employed or reported income and expenses on Schedules C or CEZ as a statutory employee, see instructions. If a member of the clergy, check <input type="checkbox"/>					0.
Nontaxable combat pay included?					
	Taxpayer	Spouse	Both	No	
Nontaxable combat pay	0.	0.	0.		
5 Earned income	0.	0.	0.	0.	0.
6 Credit from EIC table on line 5 income					
7 Adjusted gross income	0.	0.	0.	0.	
8 Credit from EIC table on line 7 income, if line 7 greater than • \$8,149 (\$13,549 if married filing jointly) and no qualifying children • \$17,849 (\$23,299 if married filing jointly) and 1 or more qualifying children	0.	0.	0.	0.	
9 Earned income credit. If line 7 is less than \$8,150 (\$13,550, \$17,850, \$23,300), line 6. Otherwise, the smaller of line 6 or line 8	0.	0.	0.	0.	0.
Used which one?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

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 does not exceed your qualified education expenses;
- It is not designated or earmarked for other purposes (such as room and board), and does not require (by its terms) that it cannot be used for qualified education expenses; and
- It does not 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).

Use *Worksheet 1-1* 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 **do not 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

Worksheet 1-1. Taxable Scholarship and Fellowship Income

1. Enter the total amount of any scholarship or fellowship for the tax year.	1. _____
• If you are a degree candidate at an eligible educational institution, go to line 2.	
• If you are not a degree candidate at an eligible educational institution, stop here . The entire amount is taxable .	
2. Enter the amount from line 1 that was for teaching, research, or any other services required as a condition for receiving the scholarship. (Do not include amounts received for these items under the National Health Service Corps Scholarship Program or the Armed Forces Health Professions Scholarship and Financial Assistance Program.)	2. _____
3. Subtract line 2 from line 1	3. _____
4. Enter the amount from line 3 that your scholarship or fellowship 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 (see Education Expenses above).....	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)	7. _____
8. Subtract line 7 from line 5	8. _____
9. Taxable part. Add lines 2, 4, and 8. In TaxWise®, link from the appropriate box below line 7 to the worksheet to report this amount. This amount is taxable to the person in whose name the scholarship was received.	9. _____

¹ However, a scholarship or fellowship grant is not 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.

Highlights of Education Tax Benefits for Tax Year 2015

This chart highlights some differences among the benefits discussed in this publication. See the text for definitions and details. Do not rely on this chart alone.

Caution: You generally cannot claim more than one benefit for the same education expense.

	Scholarships, Fellowships, Grants, and Tuition Reductions	American Opportunity Credit	Lifetime Learning Credit	Student Loan Interest Deduction	Coverdell ESA†	Qualified Tuition Program (QTP)†	Education Exception to Additional Tax on Early IRA Distributions†	Education Savings Bond Program†	Employer-Provided Educational Assistance†	Business Deduction for Work-Related Education
What is your benefit?	Amounts received may not be taxable	Credits can reduce the amount of tax you have to pay. 40% of the credit may be refundable (limited to \$1,000 per student).	Credits can reduce amount of tax you must pay	Can deduct interest paid	Earnings not taxed	Earnings not taxed	No 10% additional tax on early distribution	Interest not taxed	Employer benefits not taxed	Can deduct expenses
What is the annual limit?	None	\$2,500 credit per student	\$2,000 credit per tax return	\$2,500 deduction	\$2,000 contribution per beneficiary	None	Amount of qualified education expenses	Amount of qualified education expenses	\$5,250 exclusion	Amount of qualifying work-related education expenses
What expenses qualify besides tuition and required enrollment fees?	Course-related expenses such as fees, books, supplies, and equipment	Course-related books, supplies, and equipment	Amounts paid for required books, etc., that must be paid to the educational institution, etc., ARE required fees	Books Supplies Equipment Room & board Transportation Other necessary expenses	Books Supplies Equipment Expenses for special needs services Payments to QTP Higher education: Room & board if at least half-time student Elem/sec (K-12) education: Tutoring Room & board Uniforms Transportation Computer access Supplementary expenses	Books Supplies Equipment Room & board if at least half-time student Expenses for special needs services	Books Supplies Equipment Room & board if at least half-time student Expenses for special needs services	Payments to Coverdell ESA Payments to QTP	Books Supplies Equipment	Transportation Travel Other necessary expenses

What education qualifies?	Scholarships, Fellowships, Grants, and Tuition Reductions	American Opportunity Credit	Lifetime Learning Credit	Student Loan Interest Deduction	Coverdell ESA†	Qualified Tuition Program (QTP)†	Education Exception to Additional Tax on Early IRA Distributions†	Education Savings Bond Program†	Employer-Provided Educational Assistance†	Business Deduction for Work-Related Education
	Undergraduate & graduate K-12	Undergraduate & graduate A graduate student can claim the American Opportunity Credit if and only if the student has not completed the first four years before the beginning of the tax year	Undergraduate & graduate Courses to acquire or improve job skills	Undergraduate & graduate	Undergraduate & graduate K-12	Undergraduate & graduate	Undergraduate & graduate	Undergraduate & graduate	Undergraduate & graduate	Required by employer or law to keep present job, salary, status Maintain or improve job skills
What are some of the other conditions that apply?	Must be in degree or vocational program Payment of tuition and required fees must be allowed under the grant	Can be claimed for only 4 tax years (which includes years Hope credit claimed) Must be enrolled at least half-time in degree program No felony drug conviction(s) Must not have completed first 4 years of postsecondary education before end of preceding tax year	No other conditions	Must have been at least half-time student in degree program	Assets must be distributed at age 30 unless special needs beneficiary	No other conditions	No other conditions	Applies only to qualified series EE bonds issued after 1989 or series I bonds	No other conditions	Cannot be to meet minimum educational requirements of preset trade/business Cannot qualify you for new trade/business
In what income range do benefits phase out?	No phaseout	\$80,000 - \$90,000 \$160,000 - \$180,000 for joint returns	\$55,000 - \$65,000 \$110,000 - \$130,000 for joint returns	\$65,000 - \$80,000 \$130,000 - \$160,000 for joint returns	\$95,000 - \$110,000 \$190,000 - \$220,000 for joint returns	No phaseout	No phaseout	\$76,000 - \$91,000 \$113,950 - \$143,950 for joint and qualifying widow(er) with a dependent child returns	No phaseout	No phaseout

† Any nontaxable distribution is limited to the amount that does not exceed qualified education expenses.



Education Credits

Probe/Action: To determine if a taxpayer qualifies for the Education Credit.

Comparison of Education Credits

American Opportunity Credit	Lifetime Learning Credit
Up to \$2,500 per eligible student	Up to \$2,000 credit per return
Available only for 4 tax years per eligible student (including any year(s) Hope Scholarship Credit was claimed). (see note at bottom of page)	Available for all years of post secondary education and for courses to acquire or improve job skills
Forty percent (.40) of the credit is refundable ¹ (Up to \$1,000 even if no taxes are owed)	Non refundable credit
Student must be pursuing a program leading to a degree or other recognized education credential	Student does not need to be pursuing a degree or other recognized education credential
Student must be enrolled at least half time for at least one academic period beginning during the year	Available for one or more courses
No felony drug conviction on student's record	Felony drug conviction rule does not apply
Credit is reduced if modified AGI is between \$80,000 and \$90,000 (\$160,000 and \$180,000 if married filing jointly)	Credit is reduced if modified AGI is between \$55,000 and \$65,000 (\$110,000 and \$130,000 if married filing jointly)

Who Can Claim the Credit?

- Taxpayers who paid qualified educational expenses of higher education for an eligible student.
- Taxpayers who paid the education expenses for a student enrolled at or attending an eligible educational institution. (to determine if eligible, see <http://ope.ed.gov/accreditation>)
- The eligible student is either the taxpayer, taxpayer's spouse or a dependent for whom the taxpayer claims an exemption on the tax return.

Note: Qualified education expenses paid by a dependent for which an exemption is claimed, or by a third party for that dependent, are considered paid by the taxpayer. If a student is **NOT** claimed as a dependent (even if eligible to be claimed), only the student can claim an education credit no matter who paid the expenses. **This does not entitle the student to claim a personal exemption on his/her tax return.** Anyone paying the expenses (even directly to the institution) are considered to have given a gift to the student who in turn is treated as having paid the expenses.

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 does not file a joint return

Note: There are two 4-year tests for American Opportunity Credit. First, the credit can be taken only four tax years. Second, the student must not have completed four years of academic credit before the beginning of this tax year. Follow the examples in the **Who is Eligible Student for the American Opportunity Credit** section in Publication 970 for additional information.



Education Credits (Continued)

Probe/Action: To determine if a taxpayer qualifies for the Education Credit.

Who Can Claim a Dependent's Expenses?

If the taxpayer...	Then only...
Claims an exemption on the return for a dependent who is an eligible student	The taxpayer can claim the credit based on that dependent's expenses. The dependent cannot claim the credit.
Does not claim the exemption on the tax return	The dependent can claim the credit. The taxpayer cannot claim the credit based on the dependent's expenses.

Who Cannot Claim the Credit?

- Married filing separate 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 Pub. 519 applies

What Expenses Qualify?

- Expenses paid for an academic period starting in 2015 or the first 3 months of 2016
- Expenses not refunded when the student withdraws from class
- Expenses paid with the proceeds from a loan

What are Qualifying Expenses?

- The term "qualified tuition and related expenses" is expanded for the American opportunity credit to include expenditures for course materials. For this purpose, course materials are books, supplies, and equipment needed for a course of study whether or not the materials are purchased from the educational institution as a condition of enrollment or attendance.

What is Tax-free educational assistance?

- Tax-free parts of scholarships and fellowships
- Pell grants (see chapter 1 of Publication 970)
- Employer-provided educational assistance (see Publication 970)
- Veterans' educational assistance
- Any other nontaxable payment (other than gifts or inheritances) received as educational assistance

Note: Do not 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 is not restricted **and** used to pay education expenses that are not qualified (such as room and board).

Note: Congress passed a law in June 2015 that affects Form 1098-T and the American opportunity and lifetime learning credits beginning in tax year 2016. There are no changes for claiming an education credit for tax year 2015.

Determining Qualified Education Expenses

Box 1 may include non-taxable scholarship and grant amounts. Be sure to subtract these before using an amount from this box as qualifying expenses. Some students may choose to pay non-qualifying 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.

Box 2 may include amounts that were billed, but not paid, during the tax year. Do not use the amount in this box as qualifying expenses without first confirming that the amount was paid during the tax year.

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	2015 Form 1098-T	Tuition Statement
		2 Amounts billed for qualified tuition and related expenses \$			
FILER'S federal identification no.	STUDENT'S social security number	3 If this box is checked, your educational institution has changed its reporting method for 2015 <input type="checkbox"/>		Copy B For Student This is important tax information and is being furnished to the Internal Revenue Service.	
STUDENT'S name		4 Adjustments made for a prior year \$	5 Scholarships or grants \$		
Street address (including apt. no.)		6 Adjustments to scholarships or grants for a prior year \$	7 Checked if the amount in box 1 or 2 includes amounts for an academic period beginning January - March 2016 <input type="checkbox"/>		
City or town, state or province, country, and ZIP or foreign postal code		8 Check if at least half-time student <input type="checkbox"/>	9 Checked if a graduate student <input type="checkbox"/>		
Service Provider/Acct. No. (see instr.)		10 ins. contract reimb./refund \$			

Form **1098-T** (keep for your records) www.irs.gov/form1098t Department of the Treasury - Internal Revenue Service

Determine the amount paid by verifying the payment received from the student account statement with the amount shown in Box 1 or 2 of Form 1098-T. Remember to include books, supplies, materials and equipment if claiming the American Opportunity Credit. Also remember to include out of pocket payments made by the student or on the student's behalf. This includes student loans, payments, credit cards and **taxable portions of scholarships/grants.**

Adjusted Qualified Education Expenses Worksheet (Form 8863 instructions)	
1. Total qualified education expenses paid for on behalf of the student in 2015 for the academic period	5,500
2. Less adjustments:	
a. Tax-free educational assistance received in 2015 allocable to the academic period.	3,000
b. Tax-free educational assistance received in 2016 (and before you file your 2015 tax return) allocable to the academic period	0
c. Refunds of qualified education expenses paid in 2015 if the refund is received in 2015 or in 2016 before you files your 2015 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-	2,500

Example - Bill and Sue are eligible to claim the American opportunity credit for their daughter Sarah, who is in her first year of college. They have a Form 1098-T with \$10,000 in box 2 and a \$3,000 Pell grant in box 5. During your interview with Bill and Sue, you determine that \$5,000 was paid in September 2015 for the fall semester; \$3,000 was paid by Pell Grant and \$2,000 was paid by loan proceeds. Also, \$5,000 was billed in December for the Spring 2016 semester, which was paid in January 2016. They paid \$500 for books in 2015. To calculate the eligible expenses for their credit, take the \$5,000 (\$3,000 grant + \$2,000 loan) paid in 2015 plus the \$500 for books and enter on line 1 of the worksheet above. The \$3,000 will be entered on line 2a. The line 3 amount would be \$3,000. Subtracting line 3 from line 1, you get qualified education expenses of \$2,500.

Note: If the student doesn't have a copy of their student account statement, ask them to go online thru their College or University to get this information.

Form 8863 – Education Credits

For both Education credits, enter qualified student's name, SSN.

If the taxpayer was under age 24 at the end of the year and met the conditions on the next page, they cannot take the **refundable** American Opportunity credit.

If the conditions are met, check the box on Form 8863, pg 1, Line 7. See Tip (for students under 24) on next page.

Do not check "Yes" if the credit has not been claimed a total of 4 times.

See determining qualified expenses page earlier in tab.

Lifetime - course books, materials, supplies not included unless paid directly to institution as condition of enrollment.

US 8863 (2014)		Page 2
Name:	<input type="text"/>	SSN: <input type="text" value="111-00-0000"/>
Caution: Complete Part III for each student for whom you are claiming either the American opportunity credit or lifetime learning credit. If you need to list additional students, press Shift F10 to duplicate this form.		
Part III: Student and Educational Institution Information		
20	Student's name as shown on page 1 of this tax return	<input type="text"/>
21	Student's social security number	<input type="text"/>
22	Educational institution information	
a	Name of first educational institution <input type="text"/>	
1	Address <input type="text"/>	
	Zip code, city, and state <input type="text"/>	
2	Did the student receive Form 1098-T from this institution for 2014?	<input type="radio"/> Yes <input type="radio"/> No
3	Did the student receive Form 1098-T from this institution for 2013 with Box 2 filled in and Box 7 checked?	<input type="radio"/> Yes <input type="radio"/> No
4	If you checked "Yes" in 2 or 3, enter the institution's EIN from Form 1098-T	<input type="text"/>
b	Name of second educational institution, if any <input type="text"/>	
1	Address <input type="text"/>	
	Zip code, city, and state <input type="text"/>	
2	Did the student receive Form 1098-T from this institution for 2014?	<input type="radio"/> Yes <input type="radio"/> No
3	Did the student receive Form 1098-T from this institution for 2013 with Box 2 filled in and Box 7 checked?	<input type="radio"/> Yes <input type="radio"/> No
4	If you checked "Yes" in 2 or 3, enter the institution's EIN from Form 1098-T	<input type="text"/>
23	Has the Hope Scholarship Credit or American opportunity credit been claimed for this student for any 4 tax years before 2014? If "Yes", go to line 31 for this student. If "No", go to line 24.	<input type="radio"/> Yes <input type="radio"/> No
24	Was the student enrolled at least half-time for at least one academic period that began or is treated as having begun in 2014 at an eligible educational institution in a program leading towards a postsecondary degree, certificate, or other recognized post-secondary educational credential? See instructions If "Yes", go to line 25. If "No", go to line 31 for this student.	<input type="radio"/> Yes <input type="radio"/> No
25	Did the student complete the first 4 years of post-secondary education before 2014? If "Yes", go to line 31 for this student. If "No", go to line 26.	<input type="radio"/> Yes <input type="radio"/> No
26	Was the student convicted, before the end of 2014, of a felony for possession or distribution of a controlled substance? If "Yes", go to line 31. If "No", complete lines 27 through 30 for this student.	<input type="radio"/> Yes <input type="radio"/> No
American Opportunity Credit		
27	Adjusted qualified education expenses. See instructions - do not enter more than \$4,000	<input type="text" value="0"/>
28	Subtract \$2,000 from line 27, but not less than -0-	<input type="text" value="0"/>
29	Multiply line 28 by 25%	<input type="text" value="0"/>
30	If line 28 is -0-, amount from line 27. Otherwise, add \$2,000 to the amount on line 29. Skip line 31	<input type="text" value="0"/>
Lifetime Learning Credit		
31	Adjusted qualified education expenses. See instructions	<input type="text" value="0"/>

To claim this credit:

- Taxpayers cannot file married filing separately or be a **nonresident alien** (unless married filing jointly with resident).
- Only the taxpayer is eligible if he or she claims the student as a dependent. Only the student is eligible if he or she is **not** claimed as a dependent (even if he or she *can* be claimed)—no matter who pays.
- For the American Opportunity credit only, qualified tuition & related expenses include books, supplies & equipment needed for the course, whether or not they were purchased from the institution as a condition of enrollment. Computers, however, can only be included IF they are a requirement for enrollment or attendance.

Note: The following are not 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.



Student Under Age 24 Claiming American Opportunity Credit

1. Were you under 24 at the end of 2015?	If no , stop here; you do qualify to claim part of the allowable American opportunity credit as a refundable credit. If yes , go to question 2.
2. Were you over 18 at the end of 2015?	If yes , go to question 3. If no , go to question 4.
3. Were you a full-time student (defined later) for 2015?	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 2015?	If yes , go to question 5. If no , go to question 6.
5. Was your earned income (defined later) less than one-half of your support for 2015?	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. Was either of your parents alive at the end of 2015?	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 2015?	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. 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. You were a full-time student for 2015 if during any part of any 5 calendar months during the year you were enrolled as a full-time student at an eligible educational institution (defined earlier), or took a full-time, on-farm training course given by such an institution or by a state, county, or local government agency.

Form 1040 Navigation Guide

Form **1040**

Department of the Treasury—Internal Revenue Service (99)
U.S. Individual Income Tax Return

2015

OMB No. 1545-0074

IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2015, or other tax year beginning _____, 2015, ending _____, 20

Your first name and initial _____ Last name _____ **See separate instructions.**

_____ **Your social security number**

If a joint return, spouse's first name and initial _____ Last name _____ **Spouse's social security number**

_____ **Make sure the SSN(s) above and on line 6c are correct.**

Home address (number and street). If you have a P.O. box, see instructions. _____ Apt. no. _____

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).

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

Filing Status

1 Single 2 Married filing jointly (even if only one had income) 3 Married filing separately. Enter spouse's SSN above and full name here. ▶ 4 Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶ 5 Qualifying widow(er) with dependent child

Check only one box.

Exemptions

6a Yourself. If someone can claim you as a dependent, do not check box 6a. } **Boxes checked on 6a and 6b**

b Spouse } **No. of children on 6c who:**

c **Dependents:** (1) First name Last name (2) Dependent's social security number (3) Dependent's relationship to you (4) if child under age 17 qualifying for child tax credit (see instructions)

• lived with you

• did not live with you due to divorce or separation (see instructions)

Dependents on 6c not entered above

d Total number of exemptions claimed **Add numbers on lines above ▶**

If more than four dependents, see instructions and check here

Income

7 Wages, salaries, tips, etc. Attach Form(s) W-2 7

8a Taxable interest. Attach Schedule B if required 8a

b Tax-exempt interest. Do not include on line 8a 8b

9a Ordinary dividends. Attach Schedule B if required 9a

b Qualified dividends 9b

10 Taxable refunds, credits, or offsets of state and local income taxes 10

11 Alimony received 11

12 Business income or (loss). Attach Schedule C or C-EZ 12

13 Capital gain or (loss). Attach Schedule D if required. If not required, check here 13

14 Other gains or (losses). Attach Form 4797 14

15a IRA distributions 15a

b Taxable amount 15b

16a Pensions and annuities 16a

b Taxable amount 16b

17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E 17

18 Farm income or (loss). Attach Schedule F 18

19 Unemployment compensation 19

20a Social security benefits 20a

b Taxable amount 20b

21 Other income. List type and amount 21

22 Combine the amounts in the far right column for lines 7 through 21. This is your **total income** ▶ 22

Adjusted Gross Income

23 Reserved 23

24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ 24

25 Health savings account deduction. Attach Form 8889 25

26 Moving expenses. Attach Form 3903 26

27 Deductible part of self-employment tax. Attach Schedule SE 27

28 Self-employed SEP, SIMPLE, and qualified plans 28

29 Self-employed health insurance deduction 29

30 Penalty on early withdrawal of savings 30

31a Alimony paid b Recipient's SSN ▶ 31a

32 IRA deduction 32

33 Student loan interest deduction 33

34 Reserved 34

35 Domestic production activities deduction. Attach Form 8903 35

36 Add lines 23 through 35 36

37 Subtract line 36 from line 22. This is your **adjusted gross income** ▶ 37

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11320B Form 1040 (2015)

Tab K

Tab B: Lines 1 - 5

Tab C: Line 6

Tab D: Lines 7 - 14

Tab E: Lines 26, 27, 30-33
Tab EXT: Lines 23, 34

Form 1040 Navigation Guide (continued)

Form 1040 (2015)

Page **2**

Tax and Credits

Standard Deduction for—

- People who check any box on line 39a or 39b or who can be claimed as a dependent, see instructions.
- All others:
 - Single or Married filing separately, \$6,300
 - Married filing jointly or Qualifying widow(er), \$12,600
 - Head of household, \$9,250

38	Amount from line 37 (adjusted gross income)	38	
39a	Check <input type="checkbox"/> You were born before January 2, 1951, <input type="checkbox"/> Blind. <input type="checkbox"/> Spouse was born before January 2, 1951, <input type="checkbox"/> Blind. Total boxes checked ▶ 39a		
b	If your spouse itemizes on a separate return or you were a dual-status alien, check here ▶ 39b <input type="checkbox"/>		
40	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	40	
41	Subtract line 40 from line 38	41	
42	Exemptions. If line 38 is \$154,950 or less, multiply \$4,000 by the number on line 6d. Otherwise, see instructions	42	
43	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	
44	Tax (see instructions). Check if any from: a <input type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972 c <input type="checkbox"/>	44	
45	Alternative minimum tax (see instructions). Attach Form 6251	45	
46	Excess advance premium tax credit repayment. Attach Form 8962	46	
47	Add lines 44, 45, and 46	47	
48	Foreign tax credit. Attach Form 1116 if required	48	
49	Credit for child and dependent care expenses. Attach Form 2441	49	
50	Education credits from Form 8863, line 19	50	
51	Retirement savings contributions credit. Attach Form 8880	51	
52	Child tax credit. Attach Schedule 8812, if required	52	
53	Residential energy credit. Attach Form 5695	53	
54	Other credits from Form: a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/>	54	
55	Add lines 48 through 54. These are your total credits	55	
56	Subtract line 55 from line 47. If line 55 is more than line 47, enter -0-	56	

Tab F: Lines 39 - 40

Tab ACA: Line 46

Tab G: Lines 48 - 54
Tab J: Line 50

Other Taxes

57	Self-employment tax. Attach Schedule SE	57	
58	Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919	58	
59	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	59	
60a	Household employment taxes from Schedule H	60a	
b	First-time homebuyer credit repayment. Attach Form 5405 if required	60b	
61	Health care: individual responsibility (see instructions) Full-year coverage <input type="checkbox"/>	61	
62	Taxes from: a <input type="checkbox"/> Form 8959 b <input type="checkbox"/> Form 8960 c <input type="checkbox"/> Instructions; enter code(s)	62	
63	Add lines 56 through 62. This is your total tax	63	

Tab H: Lines 57 - 60b, 62
Tab ACA: Line 61

Payments

If you have a qualifying child, attach Schedule EIC.

64	Federal income tax withheld from Forms W-2 and 1099	64	
65	2015 estimated tax payments and amount applied from 2014 return	65	
66a	Earned income credit (EIC)	66a	
b	Nontaxable combat pay election 66b		
67	Additional child tax credit. Attach Schedule 8812	67	
68	American opportunity credit from Form 8863, line 8	68	
69	Net premium tax credit. Attach Form 8962	69	
70	Amount paid with request for extension to file	70	
71	Excess social security and tier 1 RRTA tax withheld	71	
72	Credit for federal tax on fuels. Attach Form 4136	72	
73	Credits from Form: a <input type="checkbox"/> 2439 b <input type="checkbox"/> Reserved c <input type="checkbox"/> 8885 d <input type="checkbox"/>	73	
74	Add lines 64, 65, 66a, and 67 through 73. These are your total payments	74	

Tab I: Line 66
Tab J: Line 68
Tab ACA: Line 69

Refund

Direct deposit? See instructions.

75	If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you overpaid	75	
76a	Amount of line 75 you want refunded to you. If Form 8888 is attached, check here ▶ <input type="checkbox"/>	76a	
b	Routing number	c	Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings
d	Account number		
77	Amount of line 75 you want applied to your 2016 estimated tax ▶ 77		

Tab K: Lines 75 - 78

Amount You Owe

78	Amount you owe. Subtract line 74 from line 63. For details on how to pay, see instructions ▶ 78		
79	Estimated tax penalty (see instructions)	79	

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) ▶
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Sign Here

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

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	Daytime phone number
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

Form 13614-C Job Aid for Volunteers

View photo ID's for each taxpayer and spouse (if filing a joint return).	Name as shown on Social Security records (see Tab C for information hyphenated or double names)	Taxpayer's current address (where to mail refund and other correspondence).	Use Tab C, to verify taxpayer and spouse's dependency status.	Refer to Tab P if taxpayer is a victim of identity theft.	Refer to Pub 17, for definition of Legally Blind, Totally and Permanently Disabled, and Full Time Student.	If not a US citizen, use the Determining Residency Status decision tree in Tab L to determine taxpayer/spouse residency for tax purposes.
--	---	---	---	---	--	---

Part I – Your Personal Information

1. Your first name	M.I.	Last name	Telephone number	Are you a U.S. citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No
2. Your spouse's first name	M.I.	Last name	Telephone number	Is your spouse a U.S. citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No
3. Mailing address			Apt #	City
4. Your Date of Birth	5. Your job title		6. Last year, were you:	
			b. Totally and permanently disabled	<input type="checkbox"/> Yes <input type="checkbox"/> No
7. Your spouse's Date of Birth	8. Your spouse's job title		9. Last year, was your spouse:	
			b. Totally and permanently disabled	<input type="checkbox"/> Yes <input type="checkbox"/> No
10. Can anyone claim you or your spouse on their tax return? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unsure				
11. Have you or your spouse:				
a. Been a victim of identity theft?			<input type="checkbox"/> Yes <input type="checkbox"/> No	
b. Adopted a child?			<input type="checkbox"/> Yes <input type="checkbox"/> No	

Part II – Marital Status and Household Information

1. As of December 31, 2015, were you:	<input type="checkbox"/> Single	(This includes registered domestic partnerships, civil unions, or other formal relationships under state law)
	<input type="checkbox"/> Married	a. If Yes, Did you get married in 2015? <input type="checkbox"/> Yes <input type="checkbox"/> No
	<input type="checkbox"/> Divorced	b. Did you live with your spouse during any part of the last six months of 2015? <input type="checkbox"/> Yes <input type="checkbox"/> No
	<input type="checkbox"/> Legally Separated	Date of final decree _____
	<input type="checkbox"/> Widowed	Date of separate maintenance agreement _____
		Year of spouse's death _____

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

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

Name (first, last) Do not enter your name or spouse's name below	Date of Birth (mm/dd/yy)	Relationship to you (for example: son, daughter, parent, none, etc)	Number of months lived in your home last year	US Citizen (yes/no)	Resident of US, Canada, or Mexico last year (yes/no)	Single or Married as of 12/31/15 (S/M)	Full-time Student last year (yes/no)	Totally and Permanently Disabled (yes/no)	To be completed by a Certified Volunteer Preparer				
									Is this person a qualifying child/relative of any other person? (yes/no)	Did this person provide more than 50% of his/her own support? (yes/no)	Did this person have less than \$4,000 of income? (yes/no)	Did the taxpayer(s) provide more than 50% of support for this person? (yes/no)(M/A)	Did the taxpayer(s) pay more than half the cost of maintaining a home for this person? (yes/no)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)					

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

Taxpayer must include everyone who lived with the taxpayer and anyone the taxpayer supported who lived elsewhere. Always confirm this information during the interview process, especially if the taxpayer did not list anyone.	Verify birth date for each person included on the tax return. Note: Incorrect birth dates may cause e-file rejection.	Verbally confirm the number of months each person listed lived in the taxpayers' home.	If not a US citizen, see Tab L, Determining Residency Status decision tree, to determine residency for tax purposes.	If taxpayer's marital status changed in 2015 (Married or Divorced), verify how it may affect ACA and if the return may be "Out of Scope".	The Certified Volunteer Preparer will complete these questions for each listed person during the Interview Process.	See Page 3 to verify if taxpayer listed additional names. Use page 4 to record interview notes.
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Important Reminder: Review all information in Part II before determining Filing Status and Dependency Exemptions.

Use Tabs B & C to make determinations.

Important Reminder: Do not refer taxpayers to the Voltax e-mail address for IRS help or refund information.
Refer to the back cover of Pub 4012 for appropriate IRS referrals.

Form 13614-C Job Aid for Volunteers Page 2

Important Reminder: During the interview, question taxpayers about any items marked "Unsure" and mark them "Yes" or "No". Modify any taxpayer answers to correctly reflect all information obtained during the interview.

Check appropriate box for each question in each section

<p>Certification indicators (B, A, HSA, M) should only be used to assign returns to preparers.</p> <p>Final certification level determinations should be made by using the Scope of Service Chart after completing the interview process.</p> <p>Not all of these items are reported on F1040, Line 21. See Pub 17.</p> <p>Verify eligibility for Saver's Credit.</p> <p>Include only qualified unreimbursed expenses (Sch A). See Pub 17.</p> <p>Student Loan Interest adjustment See Tab E.</p>	<p>Unsure Part III – Income – Last Year, Did You (or Your Spouse) Receive</p> <p>1. (B) Wages or Salary? (Form W-2) If yes, how many jobs did you have last year? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>2. (A) Tip Income? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>3. (B) Scholarships? (Forms W-2, 1098-T) <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>4. (B) Interest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV) <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>5. (B) Refund of state/local income taxes? (Form 1099-G) <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>6. (B) Alimony income or separate maintenance payments? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>7. (A) Self-Employment income? (Form 1099-MISC, cash) <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>8. (A) Cash/check payments for any work performed not reported on Forms W-2 or 1099? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>9. (A) Income (or loss) from the sale of Stocks, Bonds or Real Estate? (including your home) (Forms 1099-S, 1099-B) <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>10. (B) Disability income? (such as payments from insurance, or workers compensation) (Forms 1099-R, W-2) <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>11. (A) Payments from Pensions, Annuities, and/or IRA? (Form 1099-R) <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>12. (B) Unemployment compensation? (Form 1099-G) <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>13. (B) Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099) <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>14. (M) Income (or loss) from Rental Property? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>15. (B) Other income? (gambling, lottery, prizes, awards, jury duty, Sch K-1, royalties, foreign income, etc.) Specify _____</p>	<p>Enter all W-2 information; see Tab D.</p> <p>If yes, verify tips were reported to employer. If not, complete Form 4137 (Advanced).</p> <p>See TAB D for information about F1098T.</p> <p>Verify the return is within the scope of VITA/TCE Programs.</p> <p>If yes, determine if taxable.</p>
	<p>Unsure Part IV – Expenses – Last Year, Did You (or Your Spouse) Pay</p> <p>1. (B) Alimony or separate maintenance payments? If yes, do you have the recipient's SSN? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>2. Contributions to a retirement account? _____ IRA (A) _____ 401K (B) _____ Roth IRA (C) _____ Other (D) _____</p> <p>3. (B) College or post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T) <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>4. (B) Unreimbursed employee business expenses? (such as uniforms or mileage) <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>5. (B) Medical expenses? (including health insurance premiums) <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>6. (B) Home mortgage interest? (Form 1098) <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>7. (B) Real estate taxes for your home or personal property taxes for your vehicle? (Form 1098) <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>8. (B) Charitable contributions? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>9. (B) Child or dependent care expenses such as daycare? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>10. (B) For supplies used as an eligible educator such as a teacher, teacher's aide, counselor, etc.? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>11. (A) Expenses related to self-employment income or any other income you received? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>12. (B) Student loan interest? (Form 1098-E) <input type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>See Tab E for definition of alimony.</p> <p>See Tab J and compare credits and adjustments.</p> <p>Advise taxpayer of records requirements (Sch A); see Pub 17.</p>
	<p>Unsure Part V – Life Events – Last Year, Did You (or Your Spouse)</p> <p>1. (HSA) Have a Health Savings Account? (Forms 5498-SA, 1099-SA, W-2 with code W in box 12) <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>2. (A) Have debt from a mortgage or credit card cancelled/forgiven by a commercial lender? (Forms 1099-C, 1099-A) <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>3. (A) Buy, sell or have a foreclosure of your home? (Form 1099-A) <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>4. (B) Have Eamed Income Credit (EIC) disallowed in a prior year? If yes, for which tax year? _____</p> <p>5. (A) Purchase and install energy-efficient home items? (such as windows, furnace, insulation, etc.) <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>6. (B) Live in an area that was affected by a natural disaster? If yes, where? _____</p> <p>7. (A) Receive the First Time Homebuyers Credit in 2008? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>8. (B) Make estimated tax payments or apply last year's refund to this year's tax? If so how much? _____</p> <p>9. (A) File a federal return last year containing a "capital loss carryover" on Form 1040 Schedule D? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>If yes, ask taxpayer for provider's TIN, check 'CDC' box on TaxWise Main Info Sheet, and complete Form 2441.</p> <p>Check for tax benefits for declared disaster areas.</p>

Form 13614-C Job Aid for Volunteers Page 3

Check appropriate box for each question in each section

<p>Refer taxpayers who have questions or need coverage to this web site/phone number.</p> <p>Complete for Taxpayers and dependents after answering questions in the Certified Volunteer Preparer Section (Page 1, Part II).</p>	<p>Unsure Part VI - Health Care Coverage - Last year, did you, your spouse, or dependent(s)</p> <p>1. (B) Have health care coverage? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>2. (B) Receive one or more of these forms? (Check the box) <input type="checkbox"/> Form 1095-B <input type="checkbox"/> Form 1095-C</p> <p>3. (A) Have coverage through the Marketplace (Exchange)? [Provide Form 1095-A] <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>3a. (A) If Yes, Receive an advanced payment from the Marketplace to help pay your monthly health care payments? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>3b. (A) If yes, Is everyone listed on your Form 1095-A being claimed on this tax return? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>4. (B) Have an exemption granted by the Marketplace? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>You must use the flow chart in Tab ACA for all taxpayers.</p> <p>Taxpayer must provide a copy of Form 1095-A if they received insurance through the Marketplace.</p> <p>Receiving advanced payments creates an automatic filing requirement. See Pub 17.</p>																				
	<p>Visit http://www.healthcare.gov or call 1-800-318-2596 for more information on health insurance options and assistance.</p> <p>If advance payments of the premium tax credit were paid on your behalf to help pay your health insurance premiums, you should report life or marital status or family size changes, to your Marketplace. Reporting changes will help to make sure you are getting the proper payments.</p>																					
	<p>Reported by a Certified Volunteer Preparer (Use Publication 4012 and check the appropriate box(es) indicating Minimum Essential Coverage (MEC) for every dependent in the household as in Part II)</p>																					
	<table border="1"> <thead> <tr> <th></th> <th>MEC Entire Year</th> <th>No MEC</th> <th>Part Year MEC (mark months with coverage)</th> <th>Exemption (mark months exemptions applies)</th> <th>Exemption All Year</th> <th>Notes</th> </tr> </thead> <tbody> <tr> <td>Spouse</td> <td></td> <td></td> <td>J F M A M J J A S O N D</td> <td>J F M A M J J A S O N D</td> <td></td> <td></td> </tr> <tr> <td>Dependent</td> <td></td> <td></td> <td>J F M A M J J A S O N D</td> <td>J F M A M J J A S O N D</td> <td></td> <td></td> </tr> </tbody> </table>		MEC Entire Year	No MEC	Part Year MEC (mark months with coverage)	Exemption (mark months exemptions applies)	Exemption All Year	Notes	Spouse			J F M A M J J A S O N D	J F M A M J J A S O N D			Dependent			J F M A M J J A S O N D	J F M A M J J A S O N D		
	MEC Entire Year	No MEC	Part Year MEC (mark months with coverage)	Exemption (mark months exemptions applies)	Exemption All Year	Notes																
Spouse			J F M A M J J A S O N D	J F M A M J J A S O N D																		
Dependent			J F M A M J J A S O N D	J F M A M J J A S O N D																		

Basic Steps in Preparing a Tax Return Using TaxWise®

- 1. Review with the taxpayer the Intake/Interview & Quality Review sheet, all of the taxpayer's tax forms, the prior year return (if available) and the list of out-of-scope items.**
- 2. Determine if you have the training to prepare the return. Consult the site manager if unsure.**
- 3. Start the return.**
 - Click New Return icon or Start a New Return link on the Homepage.
 - Enter the primary taxpayer's SSN.
 - Retype the SSN for validation.
 - Accept carry forward data as directed by your site manager
 - Go to Tax Forms.
- 4. Complete the Main Information Sheet.**
 - Verify and enter taxpayer information.
 - Verify and enter dependents and family members who may be qualifying persons for any benefit.
 - Check the Child and Dependent Care Credit and Earned Income Credit boxes as appropriate.
 - Enter State information as needed.
- 5. Add Form W-2 Information.**
 - Link to Form W-2 from Line 7 of the Form 1040.
 - Click the box next to Taxpayer or Spouse, whichever applies.
 - Complete all entries as printed on the paper copy of Form W-2 and verify that electronic W-2 matches the taxpayer's paper copy.
 - Enter other Forms W-2 if applicable.
- 6. Go down the 1040 income section and link out to Refer to Tab D for instructions on where to enter income documents.**
- 7. Enter information for any adjustments that apply.**
- 8. If the taxpayer's deductions exceed the standard deduction, open Sch A and enter deductions. Refer to Tab D for instructions.**
- 9. Link to supporting form for non-refundable credits.**
 - Foreign taxes from 1099-Div to Form 1116
 - Dependent Care to Form 2441
 - Retirement Savings, Form 8880
 - Credit for the Elderly, Sch R
 - Energy Credit to Form 5695
- 10. Ensure that any Other Taxes are appropriate.**
 - Look for exceptions to early distribution penalties
- 11. Complete state and local return(s) as required.**
- 12. Complete the ACA worksheet and Forms 8962 and 8965 as needed. Consult the ACA tab.**
- 13. Determine where education expenses should be taken.**
 - In each location, enter the appropriate expenses and record the federal and state refund amounts.
 - Use whichever location is best for the taxpayer.
- 14. Enter bank account and routing numbers.**
- 15. Work the TaxWise® forms tree on the left side of the screen, complete any unfinished forms.**
 - Review the return tree for incomplete forms in BOTH federal and state returns.
 - Each incomplete form will have a yellow caution mark or a red exclamation point.
 - Click on the incomplete form and complete only the remaining red entries.
 - Repeat this process until no forms in the tree are red or have exclamation marks.
- 16. Finish the return.**
 - Run Diagnostics.
 - Review warnings and make necessary changes.
 - Verify each overridden entry.
 - If directed by your site manager, create the efile and resolve any warnings.
 - Have the return quality reviewed.
 - Correct any errors from Quality Review process.
 - Re-run diagnostics.
 - Click Create E-file button.
 - Change Return Stage to Ready to Transmit.
- 17. Print the return.**
 - Click Print Return button.
 - In Desktop, select the print packets you want and click Print.
 - In TWO, open the PDF and print it.
 - Have the taxpayer sign Form 8879.
 - Collate the return.
- 18. Review the return with the taxpayer.**
- 19. Complete the site log.**

Main Information Screen

US **Main Information Sheet**

This return can be filed on Form 1040EZ

Check form you are using: 1040 1040A 1040EZ 1040PR 1040NR 1040NREZ

Check one: Spanish forms on the screen and printed. Spanish forms printed only.

Sal.	Your first name	Initial	Last name	Suffix	Your SSN
_____	_____	_____	_____	_____	_____

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

Sal.	First name	Initial	Last name, if different from yours	Spouse's SSN
_____	_____	_____	_____	_____

Mailing address

Name line 2. Use % for care of _____

Present home address _____

Zip code, city, and state _____

Email address _____

	Taxpayer	Spouse
Telephone numbers		
Daytime	_____	_____
Evening	_____	_____
Cell phone	_____	_____
Foreign phone	_____	_____

Birth date _____

Age for Federal tax purposes 0

Taxpayer's occupation _____

Spouse's occupation _____

Do not use punctuation marks (period, comma).

Verify spouse last name with SS card. If different from taxpayer, enter last name here.

Enter spouse SSN.

Note 2: see below.

Enter zip code first. (See note 3.)

Always ask for at least one telephone number. The daytime phone number will appear on the printed return. Enter area code first.

Must input birth date. Include spouse if joint return. Enter as mmddyyyy (program will enter slash marks).

Note 1: The total number of characters entered in first name, initial and last names for both taxpayer and spouse cannot exceed 35 characters. This includes DECD (plus a space, for a total of five characters) if one is deceased. If it does, the return will reject. Refer to Pub 3189 if you need more information.

Note 2: Use only if an additional name is needed for "in care of," for a two line street address, or in the case of a deceased taxpayer. Enter %, a space, and then the name of the person filing the return for the deceased person. This may be the surviving spouse if the filing status is Married Filing Jointly or a personal representative such as an executor, administrator, or anyone who is in charge of the deceased taxpayer's property. When you print the return, the tax software prints the date of death and DECD next to the deceased person's name at the top of Form 1040 page 1, as required by the IRS.

Note 3: Once the ZIP code is entered TaxWise® will then auto-fill the city and state. Correct city name if needed.

Main Information Screen (continued)

Foreign Address
 Foreign street address _____
 Foreign city _____
 Foreign province / state _____
 Foreign Zip code _____
 Combined foreign city / province / Zip _____
 Foreign country. Do not abbreviate _____
 Foreign country code _____

Taxpayer Information

Special processing _____

Are you excluding Puerto Rico income from this tax return?
 If "Yes", enter the amount of income excluded _____
 Yes No

Check if blind _____
 Check if totally and permanently disabled _____
 Date of death, ONLY if in 2014 or 2015 _____

This tax return is being filed by the surviving spouse or someone else.

Taxpayer
 Yes No

Spouse
 Yes No

Presidential Election Campaign Check here if you, or your spouse if a joint return, want \$3 to go to this fund
 You Spouse

Use this section to enter a foreign address. Do not use foreign address field for APO/FPO addresses. (See Note 1.)

If the taxpayer served in a combat zone during the tax year, click on this box and select from the dropdown menu. This will identify the return to the IRS, and can avoid certain reject conditions, such as federal withholding exceeding 50% of the wage amount.

Defaulted to No.

Important for calculation of standard deduction.

Complete for deceased taxpayer or spouse.

Ask taxpayer. Answer does not affect refund or balance due.

Filing Status and Exemptions

1 Single
 2 Married filing jointly (even if only one had income)
 3 Married filing separately
 Spouse's first name: _____ Last name: _____ SSN: _____
 Did your spouse ever live with you in 2014? Yes No
 If "Yes", did you and your spouse live together at anytime after June 30, 2014? Yes No
 Married filing separately, only. If the state in the address above is a community property state (AZ, CA, ID, LA, NV, NM, TX, WA, or WI), or a return is being filed to one of these states, answer the following questions.
 Military. Is this your home of record? Yes No
 If "Yes", fill in Form 8958.
 Others. Are you a resident of this community property state? Yes No
 If "Yes", fill in Form 8958 and use Form 1040.
 If "No", you CANNOT e-file this return.

4 Head of household (with qualifying person). If the qualifying person is a child but not your dependent, enter the child's name _____ and social security number _____. A self-supporting child who lives with you IS NOT a qualifying person.

5 Qualifying widow(er) with dependent child Year spouse died (2012 or 2013 only): _____

6 Exemptions a Yourself b Spouse
 Number of boxes checked on 6a and 6b. 1

Hint: Only enter child's name and SSN in this section if not being claimed as a dependent.

Enter year of death here.

Verify exemptions. College/high school students or young military personnel who entered the military this tax year may be eligible to be claimed (See Note 2).

Note 1: If the return is for a Canadian resident, the address should be put entirely on the foreign street address line. Leave ZIP code, city, and state blank.

Note 2: If someone else is entitled to claim the taxpayer (or spouse), check the appropriate box on line 6 of the main information sheet. If the taxpayer is filing Head of Household and claiming an exemption for a nonresident alien spouse, check the box on line 6c of the software's main information sheet and enter the spouse's first name, last name, and SSN or ITIN on line 6C. Taxpayer will still need another individual to be the qualifying person to be eligible for Head of Household.

Main Information Screen (continued)

c Dependents/Nondependents
 Check here to charge a flat fee for dependents instead of a fee per dependent

First name	Last name	Date of birth	Age	Social security number	Relationship to YOU	Mo in Hm	C o d e	E I T C	C
			0					<input type="checkbox"/>	<input type="checkbox"/>
			0					<input type="checkbox"/>	<input type="checkbox"/>
			0					<input type="checkbox"/>	<input type="checkbox"/>
			0					<input type="checkbox"/>	<input type="checkbox"/>

Totals from Above Statement

Number of your children who lived with you 0 0 **Box 6c1** 0

Number of your children who didn't live with you due to divorce or separation 0 0 **Box 6c2** 0

Number of other dependents 0 0 **Box 6c3** 0

Noncustodial Parents. If you are claiming, as a dependent, your child who does not live with you, you MUST attach a written document to the tax return that substantiates your right to claim this dependent. If e-filing, you have the option of attaching the document to Form 8453 or attaching a PDF. Check the item you are attaching.

A copy of a divorce or separation agreement that went into effect after 1984 and before 2009

Check here to attach a PDF of the divorce agreement to the e-file

Form 8332 - Release of Claim of Exemption - required if divorce or separation agreement went into effect after 2008

Check here to attach a PDF of Form 8332 to the e-file

Total number of exemptions claimed **Box 6d** 1

DC is credit for child and dependent care expenses.

EIC is earned income credit.*

CTC is child tax credit—TaxWise® automatically determines if child is a qualifying child based upon your input.

Hint: If a child meets the age, relationship and residency requirements to be a Qualifying Child Dependent (and any issues have been discussed and resolved regarding whether the child could qualify another taxpayer as well), check the EIC box on the child's line. TaxWise® will not allow the EIC if they do not qualify in other regards.

*** EIC must be checked to bring up the applicable EIC forms. If in doubt, check the box.**

Verify names, SSN, and dates of birth with social security card to prevent rejected returns.
List children from youngest to oldest.

Last name—Enter last name only if different from primary taxpayer.

If person is an in-law, use the relationship without "in-law". For example, a brother-in-law should be entered as brother.

Use down arrow or space bar on [Relationship to YOU], [Mo in Hm], and [Code] columns for valid choices.

Check applicable box if noncustodial parent or Multiple Support agreement exists.

Enter number of months each individual lived in the taxpayer's home or use MX if the dependent lived in Mexico or CN if the dependent lived in Canada – type in directly or use the drop-down list. Enter 12 months if dependent was born or died during the year or was temporarily absent (school, vacation, etc).

Carefully read the information regarding Dependents/Nondependents, and pay special attention to the codes. If the taxpayer is married filing a separate return and is able to claim his/her spouse's exemption, fill in the spouse's name, SSN, and other information in the software Main Information Sheet, Dependents/Non-Dependents section, showing the relationship as "other" and the Code as "3."

- Use the Code box to indicate relationship as follows:
- 1 = Your child who lives with you (biological and adopted)
 - 2 = Your dependent child who does NOT live with you due to divorce or separation
 - 3 = All other dependents
 - 0 (zero) = Nondependents

If There Are More Than Four Dependents

If there are more than four dependents to list, enter the first four on the Main Information Sheet. To enter the rest of the dependents, open Form 1040, page 1, link from any field in the dependents section. Link to **NEW Addl Deps - Form 1040 Line 6c**, the Additional Dependents Statement. Last names must be used on the Additional Dependents Statement.

TaxWise® carries the first four dependents from the Main Information Screen to the statement. List the remaining dependents below the first four.

Note: Do not list nondependents on the Additional Dependents statement. List nondependents only on the Main Information Sheet. Also, children who are qualifying children for EIC or dependent care credit must be entered on the Main Information Sheet. Those who are qualifying children for EIC must be entered first. **If you make a change to Dependents on Main Information page, you must also make the change on the Addl Deps form.**

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

If the taxpayer qualifies (or may qualify) for earned income credit (EIC), you MUST enter the birth date and select the EIC check box for qualifying children. This information carries to Schedule EIC. TaxWise® 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 provides over half of his/her own support or whether the parent(s) do either).

Child Without SSN or ITIN

If the qualifying child died before receiving a valid SSN or ITIN, you must override the CTC box on the Main Information Sheet to indicate that the child does qualify for the CTC. This return cannot be e-filed. Attach a copy of the child's birth certificate, death certificate, or hospital records instead. The document must show the child was born alive. Enter "DIED" in column (2) of line 6c of Form 1040.

Main Information Screen (continued)

State Information If you are not preparing a state return, check here or fill in state information below
 Full year resident: ___ and ___ Part-year: ___ and ___ Nonresident: ___ ___ ___ ___

Type of Return Bank products E-file ONLY Paper

Select Your Bank Republic SBTPG Refund Advantage
 River City 3Fund Advent Financial

Money Clip Prepaid Visa
 Money Clip is available for e-filed returns requesting a refund. Do not enter bank information below.

Would the taxpayer like to receive their refund on the Money Clip card? Yes No

FeeCollect and Protection Plus are only available to tax preparers enrolled to offer them.

FeeCollect
 Does the taxpayer want to have your tax preparation fees deducted from his or her refund? Yes No

Protection Plus
 Does the taxpayer want Protection Plus? Yes No

Bank Account Information
 Direct deposit is available for e-filed returns, paper returns, and bank product returns.
 ACH debit is available for e-filed returns only.

Routing transit number (RTN) of financial institution _____
 Account number (DAN) including hyphens _____

Check box if not preparing state returns.

Do not make entries in this section.

Do not use this section.

Do not use this section.

RTN must be 9 characters.

Type account number exactly as shown on check.* See "Finishing the Return" section for an example of a check.

***Note: You will also need to add account information on 1040 page 2. See Pointers for Direct Deposit of Refunds in the Finishing the Return tab. Do not enter the routing and account number if using the Form 8888, Allocation of Refund (Including Bond Purchases).**

State Information

A federal return may have as many as 9 state returns attached, in any combination; for example, two different full-year resident states (one for taxpayer and one for spouse), two different part-year states, and five different nonresident states.

Consult instructions for each state to determine which status applies to the taxpayer. To view instructions for the state individual package in TaxWise® Online, select **Help** from any field in the "State Information" section of the Main Information Screen, click on State Help, and then select the applicable state of interest. You can also select State Help from the TaxWise home page. To consult a state tax authority's web site, select the appropriate state from the list under State Tax Sites. In TaxWise® Desktop, press F1 while the state form is open.

*** Do not use a preprinted deposit slip.**

Main Information Screen (continued)

Self-Select and Practitioner PIN(s)

ERO PIN for both the Self-Select and Practitioner PIN programs ←

Check if using the Practitioner PIN method for e-filing this income tax return or Form 4868 with direct debit ←

Enter **98765**.

Check for Practitioner PIN.

What form(s) are you e-filing using PINs?

The income tax return ←

Form 4868 without direct debit. No PINs required

Form 4868 with direct debit

* Form 2350 without direct debit

* Form 2350 with direct debit

* Requires date(s) of birth above and 2013 original AGI or 2013 PIN. F8 to change spouse AGI, if incorrect.

Taxpayer's original 2013 AGI: Spouse's original 2013 AGI: ←

OR taxpayer's 2013 PIN: OR spouse's 2013 PIN:

The following attachments require the submission of Form 8453. Please note that PINs are still required and that Form 8879 must be signed for all e-filed returns.

<input type="checkbox"/> Form(s) 1098C or contemporaneous written statement	<input type="checkbox"/> Copy of divorce or separation agreement
<input type="checkbox"/> Form 3468 attachment required	<input type="checkbox"/> Form 3115
<input type="checkbox"/> Form 5713	<input type="checkbox"/> Form 4136 attachment required
<input type="checkbox"/> Form(s) 8332	<input type="checkbox"/> Forms(s) 8283, page 2 and / or appraisal
<input type="checkbox"/> Form 8864 attachment required	<input type="checkbox"/> Form 8858
<input type="checkbox"/> Schedule D transaction listing	

The information below, as well as the ERO PIN above, must be filled in for all e-filed returns.

The date must be entered below. This is today's date: 02/18/2014 Do NOT use @Today.

Taxpayer's PIN ← Enter 5 numbers, other than all zeroes. Date: _____

I authorize do not authorize

ERO firm name to enter this PIN as my signature on my tax year 2013 electronically filed income tax return.

Spouse's PIN .. Enter 5 numbers, other than all zeroes. Date: _____

I authorize do not authorize

ERO firm name to enter this PIN as my signature on my tax year 2013 electronically filed income tax return.

Only first box should be checked.

To use Self-Select PIN, taxpayers must bring their prior year tax return or know their prior year PIN.

Last year's AGI or prior year PIN required for Self-Select PIN.

For Practitioner or Self-Select PIN signature, taxpayer(s) must enter a five digit number (not starting with zero). If married filing jointly (MFJ), spouse must also enter PIN.

Check **do not authorize** for Self-Select PIN.

Check **authorize** for Practitioner PIN. (See Note 1)

Identity Protection PIN

If the taxpayer and / or spouse is an identity theft victim who has been validated by the IRS and has received a CP01A letter that contains an Identity Protection PIN, enter the PIN here. Do not enter leading zeroes.

Taxpayer's identity theft PIN ←

Spouse's identity theft PIN ←

Enter PIN as shown on IRS Notice CP01A.

Note: Preparer can enter PIN for Practitioner PIN, and taxpayer will need to sign Form 8879.

Main Information Screen (continued)

Third Party Designee
 Do you want to allow another person to discuss this return with the IRS? Yes No

Designee's name _____ Designee's telephone _____ Designee's PIN (cannot be 00000) _____

Preparer Information Check to bill as a self-prepared return:

Preparer's ID: _____ Date: _____
 Preparer's name: _____ Print as signature:
 PTIN: _____ 0 EIN: _____
 Firm name: _____ Check if also ERO:
 Address: _____ Check if self-employed:
 Zip code: _____ Phone: _____
 Email address: _____ Fax: _____
 Non-paid indicator: _____ IRS only:

Time in this return: _____ minutes **Tax bracket:** 10.0 **Price:** _____ 0.00

Information below is for the preparer. It will print and proforma. Notes to the client should be listed on the Summary Sheet.

Usually check No.
 Cannot be volunteer preparer.

The PTIN field should have an entry by default and the **IRS only** box should be checked. If not, please contact your site manager. Do not enter any other information in Preparer Information.

Preparer's name field may be required for State e-filing.

Check information on the Main Information Sheet for accuracy and complete any required fields.

Note: Preparer Use Fields are for site's use and are defined by the site coordinator.

US **Preparer Use Form**

Check here if using this form:

Only answers are stored in the database.

Name: _____ SSN: _____

Preparer Use Fields

	Question	Answer
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11	Other than English what language is spoken in your home.	
12	Do you or any member of your household have a disability	
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

Taxpayer Reminders

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.

Determining the Last Name of Taxpayer

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

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

Individuals may create a mySocialSecurity account at www.mysocialsecurity.gov/myaccount to see how their information shows up on Social Security Administration records.

Name Controls for Individual Tax Returns

1. Primary Name Control (SEQ 0050) of Form 1040/1040A/1040EZ 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, titles and suffixes within last name field.

Examples:

Individual Name Primary/Secondary Name Control

Individual Name on SSN/ITIN Card(s)	Enter in TaxWise		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 LeaSmith	Thomas	Lea-Smith	LEA-
Joseph Corn & Mary Smith	Joseph	Corn	CORN
	Mary	Smith	SMIT
Roger O'Neil	Roger	O'Neil	ONEI
Kenneth McCarty	Kenneth	McCarty	MCCA
FNU Smith (First Name Unknown)	FNU	Smith	SMIT
Smith (No First Name)		Smith	SMIT

- 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 TaxWise		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

- 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(s)	Enter in TaxWise		IRS Database Primary/Secondary 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

Pointers for Direct Deposit of Refunds

- Using a check or documentation from the financial institution as proof of account, verify:
 - Routing Transit Number (RTN). The RTN must contain 9 digits and begin with 01 through 12 or 21 through 32.
 - Depositor Account Number (DAN). The DAN can be up to 17 characters. Include hyphens but omit spaces and special symbols. Do not include the check number or the dollar amount on canceled checks. On the sample check below, the account number is 20202086.
- Do not use a deposit slip for proof of RTN as this may not be the same RTN used for direct deposit. For direct deposit into a savings account, the taxpayer should obtain a statement from the financial institution to verify the routing and account number for direct deposit. For direct deposit into a checking account, if the taxpayer does not have a cancelled check, the taxpayer should also contact their financial institution.
- Entering the incorrect RTN and/or DAN will result in a 4–6 week delay of the refund, or it may go into some else’s account. If the direct deposit is voided, a paper check will automatically be mailed to the address on the electronic tax form.
- Double-check the RTN of the financial institution if:
 - You are unfamiliar with the financial institution. (Some types of accounts that exist through brokerage firms cannot accept direct deposits.)
 - The RTN is for a credit union, which is payable through another financial institution. The taxpayer should contact his or her credit union for the correct RTN.
- Savings Bonds - Taxpayers can buy U.S. savings bonds with their federal tax refund. Even if the taxpayer does not have a bank account or a Treasury account they can elect this option. Taxpayers can make bond purchases for themselves, add beneficiaries or co-owners, and make bond purchases for someone other than themselves. Refer to Form 8888 or www.IRS.gov for more details.
- 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, *Allocation of Refund (Including Savings Bond Purchases)*.

CAUTION Financial institutions generally do not allow a joint refund to be deposited into an individual account. The IRS is not responsible if a financial institution refuses a direct deposit.

CAUTION Direct deposit of a taxpayer’s refund is to be made to an account (or accounts) only in the taxpayer’s name. Advise taxpayers their refund may only be deposited directly into his/her own account(s). Taxpayer’s federal and state refunds cannot be deposited into VITA/TCE Volunteer or any associated partners’ personal or business bank/debit card accounts.

Note: Do not use deposit slip as proof of account because the routing number may be different than on a check.

TONY MAPLE
JENNIFER MAPLE
123 Pear Lane
Anyplace, GA 00000

PAY TO THE ORDER OF \$

ANYPLACE BANK
Anyplace, GA 00000

For

15-00000000 1234

Routing number (line 74b): 250250025
Account number (line 74d): 20202086

Do not include the check number.

Tax Software Hints: (1) For direct deposit for **only** one account, the information is entered on the Main Information Sheet **and** the Refund section of page 2 of Form 1040. (2) If the taxpayer chooses to split the refund into more than one account, the information is entered only on the Form 8888. (3) In addition, enter the information on the applicable line on state forms.

Note: To combat fraud and identity theft, effective January 2015, IRS will limit the number of refunds electronically deposited into a single financial account to three.

The fourth and subsequent refunds automatically will convert to a paper refund check and be mailed to the taxpayer.

Split Refund Option

When the taxpayer elects to direct deposit his or her refund into two or three accounts or to purchase saving bonds, you will need to complete Form 8888, *Allocation of Refund (Including Bond Purchases)*. Add the Form 8888 to the forms tree.

US 8888 Allocation of Refund (Including Savings Bond Purchases)	
Name: <input style="width: 250px;" type="text"/>	SSN: <input style="width: 100px;" type="text"/>
Do not use this form if you want the ENTIRE Federal refund directly deposited in to just ONE account. Account information entered below is not verified by TaxWise.	
Part I: Direct Deposit Complete this part if you want a portion of your refund directly deposited to one or more accounts. If the Money Clip card was selected on the Main Information Sheet, enter the amount to be applied to the Money Clip card on line 1.	
1a Amount to be deposited to first account b Routing number c Checking: <input type="checkbox"/> Savings: <input type="checkbox"/> d Account number	0.
2a Amount to be deposited to second account b Routing number c Checking: <input type="checkbox"/> Savings: <input type="checkbox"/> d Account number	0.
3a Amount to be deposited to third account b Routing number c Checking: <input type="checkbox"/> Savings: <input type="checkbox"/> d Account number	0.
Part II: U.S. Series I Savings Bond Purchases Complete this part if you want to buy paper bonds with a portion of your refund. Note: If a name is entered on line 5c or 6c below, co-ownership will be assumed unless the beneficiary box is checked. See the instructions for more details. Bonds must be purchased in \$50 increments and cannot total more than \$5,000.	
4 Amount to be used for bond purchases for yourself (and your spouse, if filing jointly) 5a Amount to be used to buy bonds for yourself, your spouse, or someone else b Enter the owner's name below (First then Last) for the bond registration. _____ c If you would like to add a co-owner or beneficiary, enter their name below (First then Last). If beneficiary, also check here <input type="checkbox"/>	0.
6a Amount to be used to buy bonds for yourself, your spouse, or someone else b Enter the owner's name below (First then Last) for the bond registration. _____ c If you would like to add a co-owner or beneficiary, enter their name below (First then Last). If beneficiary, also check here <input type="checkbox"/>	0.
Part III: Paper Check Complete this part if you want a portion of your refund to be sent to you as a check.	
7 Amount to be refunded by check	0.
Part IV: Total Allocation of Refund	
8 Total of lines 1a, 2a, 3a, 4, 5a, 6a, and 7 The amount on line 8 MUST equal the Federal refund amount here	0.

Caution: Do not enter the routing or account number on the TaxWise® Main Information Screen if using the Form 8888 *Allocation of Refund (Including Bond Purchases)*.

Bank Account Information	
Direct deposit is available for e-filed returns, paper returns, and bank product returns. ACH debit is available for e-filed returns only.	
Routing transit number (RTN) of financial institution	<input style="width: 100px;" type="text"/>
Account number (DAN) including hyphens	<input style="width: 100px;" type="text"/>

Balance Due Returns (amount owed on return)

Form 1040, 1040A, or 1040EZ Instructions for additional information

General Information

- Taxpayers do not have to pay if balance due is less than \$1.
- Payment in full is due by the April filing due date, to avoid interest and penalties.
- Taxpayer should file his or her return by the April filing due date, to avoid a failure-to-file penalty.
- There are separate penalties for filing late and paying late. The late filing penalty is higher.
- Advise taxpayers to file the return on time, even if they cannot pay the full amount owed. They should pay as much as they can with the return to reduce penalties and interest.

Payment Methods

1. Electronic Funds Withdrawal

E-filing allows taxpayers to file their return early and schedule their payment for withdrawal from their **checking** or **savings** account on a future date up to the **April filing due date**. See Form ACH 1040/ES Direct Debit for Balance Due or Estimated Tax Payment later.

2. IRS Direct Pay

IRS direct pay at irs.gov is a free one-time payment from your checking account to the IRS. Use this secure service to pay your tax bill or make an estimated tax payment directly from your checking or savings account at no cost to you. You'll receive instant confirmation that your payment has been submitted. Just follow the easy steps below. Bank account information is not retained in IRS systems after payments are made.

It takes just 5 easy steps to make a payment:

Step 1 Provide your tax information	Step 2 Verify your identity	Step 3 Enter Your payment information	Step 4 Review and electronically sign the transaction	Step 5 Print or record your online confirmation number	PAY NOW
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3. Check or money order payments

- Do not attach the payment to the return.
- Refer to instructions on Form 1040V, Payment Voucher.
- Submit the payment with a properly completed Form 1040V.
- No cash payments.

4. Credit card payments

- American Express, Discover, Mastercard, or Visa cards are accepted.
- A convenience fee will be charged by the service providers.
- Visit IRS.gov/E-pay or call service provider for details.

Official Payments Corporation 1-888-UPAY-TAX™ (1-888-872-9829) 1-877-754-4413 (Customer Service) www.officialpayments.com/fed	Link2Gov Corporation 1-888-PAY-1040™ (1-888-729-1040) 1-888-658-5465 (Customer Service) www.PAY1040.com	WorldPay US, Inc. 844-872-9829 Payment 855-508-0160 Live Operator Service 844-825-8729
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Balance Due Returns (amount owed on return) (cont.)

5. EFTPS (Electronic Federal Tax Payment System)

Taxpayers can use EFTPS to pay their federal taxes, but they must **enroll** first. EFTPS is a fast, easy, convenient and secure service provided free by the Department of Treasury. For more information or to enroll visit [IRS.gov/E-pay](https://www.irs.gov/E-pay) or call EFTPS Customer Service at 1-800-316-6541 (for individual payments). TTY/TDD help is available by calling 1-800-733-4829.

Note: You must have a valid Social Security Number (SSN) to use this application. This application cannot accommodate Individual Taxpayer Identification Numbers (ITINs).

What if the taxpayer cannot pay?

- **Can you pay in full within 120 days?** If taxpayers can pay the full amount they owe within 120 days, go to [irs.gov](https://www.irs.gov) to establish your request to pay in full. By doing this, taxpayers can avoid paying the fee to set up an installment agreement.
- **Applying online for a payment agreement.** If the taxpayer's balance due is not more than \$50,000, the taxpayer can apply online for a payment agreement instead of filing Form 9465. To do that, go to [IRS.gov](https://www.irs.gov) and enter "Online Payment Agreement" or "OPA" in the "Search" box.
- 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 (out of scope).

Offer in Compromise

If the taxpayer cannot pay through an installment agreement and/or by liquidating assets, they may be eligible for an Offer in Compromise (offer). An offer is an agreement between the taxpayer and the IRS that settles a tax debt for less than the full amount owed. The IRS may accept an offer if:

- The IRS agrees that the tax debt may not be accurate,
- The taxpayer has insufficient assets and income to pay the amount due in full, or
- The taxpayer has exceptional circumstances and paying the amount due would cause an economic hardship or would be unjust.

The taxpayer can use the Offer in Compromise Pre-Qualifier tool located at [irs.gov](https://www.irs.gov) (key word "offer") to determine if an offer is a realistic option to resolve their balance due. The questionnaire format assists in gathering the information needed and provides instant feedback as to eligibility. To apply for an offer, the taxpayer must read and complete the forms located in the Offer in Compromise booklet, Form 656-B. The Form 656-B, Offer in Compromise, may be found at www.irs.gov (key word "offer").

How can a taxpayer avoid a balance due in the future?

TIP: The more withholding allowances claimed, the less taxes withheld.

- If the taxpayer did not have enough withheld from his/her paycheck or pension income and there is an amount owed on the current return:
 - Advise the taxpayer to access the Withholding Calculator at IRS.gov.
 - On the **Form W-4/Form W-4P**, the taxpayer can reduce the number of allowances or request an additional amount to be withheld.
 - Advise the taxpayer to submit a revised **Form W-4** to the employer. For pension income taxpayers should submit a revised **Form W-4P** to the pension payer. **Form W-4V** is used to request withholding from Social Security or certain other federal government payments.
- If the taxpayer had income that was not subject to withholding (such as self-employment, interest income, dividend income, or capital gain income):
 - Explain estimated taxes to the taxpayer. In TaxWise®, 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](https://www.irs.gov).

- If the taxpayer is receiving advanced premium tax credits, they should notify the Marketplace when they have any significant change to income, family size or a life event.

Note: This information only applies to federal balance due returns. For state information, consult the applicable state.

Form ACH 1040/ES

Direct Debit for Balance Due or Estimated Tax Payment

US Direct Debit for Balance Due or Estimated Tax Payment	
Name: <input style="width: 80%;" type="text"/>	SSN: <input style="width: 20%;" type="text"/>
This worksheet is for electronic funds transfer (direct debit) of 2014 income tax balance due: <input type="checkbox"/> OR 2015 estimated tax payment: <input type="checkbox"/>	
If you want direct debit for both the balance due on this year's income tax return and one 2015 estimated tax payment or you want direct debit for more than one 2015 estimated tax payment, you must make a separate worksheet for each. Shift F10 will duplicate this worksheet.	
For The Balance Due On Your 2014 Tax Return	
Amount of tax due: <input style="width: 50%;" type="text"/>	Amount you want debited: <input style="width: 50%;" type="text"/>
Routing number: <input style="width: 20%;" type="text"/>	Checking <input type="checkbox"/> Savings <input type="checkbox"/>
Account number: <input style="width: 20%;" type="text"/>	
For accuracy, rekey the routing number and account number on the Main Information Sheet.	
Requested payment date: <input style="width: 50%;" type="text"/>	
If the return is transmitted on or before April 15, the requested payment date cannot be later than April 15. If the return is transmitted after April 15, the requested payment date must be today's date. Penalties may be added if the return is filed after April 15, 2015.	
This is today's date: <input style="width: 50%;" type="text"/>	
For 2015 Estimated Tax Payment ←	
If you filled in amounts above to pay your balance due, do NOT fill in any information below. Shift F10 for a new worksheet and fill in the bottom part of that worksheet.	
Amount you want debited for this 2015 estimated tax payment: <input style="width: 50%;" type="text"/>	
Routing number: <input style="width: 20%;" type="text"/>	Checking: <input type="checkbox"/> Savings: <input type="checkbox"/>
Account number: <input style="width: 20%;" type="text"/>	
Account information above is not verified by Taxwise.	
Requested payment date: <input style="width: 50%;" type="text"/>	
For a first quarter payment, use 04/15/2015. For a second quarter payment, use 06/15/2015. For a third quarter payment, use 09/15/2015. For a fourth quarter payment, use 01/15/2016.	
Daytime telephone number: <input style="width: 20%;" type="text"/>	Required!

Hint: If the taxpayer made estimated payments during the year, link to the estimated tax payments worksheet (F/S Tax Pd) from Line 63 of the Form 1040 and record the date and amount of each payment.

Estimated Tax Payments for next year.

Note: *Need one Form ACH for each payment.*

When the IRS due date for doing any act for filing a return, paying taxes, etc - falls on a Saturday, Sunday, or legal holiday, the due date is delayed until the next business day.

Complete Form ACH 1040/ES, Direct Debit for Balance Due or Estimated Tax Payment.

- Click 2015 income tax balance due
- Re-enter bank account information
- Enter Requested Payment Date

Estimated Tax Payments:

- When *e-filing* a Form 1040 series return, up to four estimated payments can be scheduled for withdrawal on the following dates:
 - April 15
 - June 15
 - September 15
 - January 15, of the following year*

* You do not have to make the payment due January 15, if you file your current tax return by February 16, and pay the entire balance due with your return.

PIN Guidelines

There are two signature methods for *e-file* returns: Practitioner PIN and Self-Select PIN. The Practitioner PIN method is the preferred electronic signature method for taxpayers. The ERO may enter the taxpayer's PINs in the electronic return record before the taxpayers sign Form 8879, but the taxpayers must sign and date the appropriate form before the ERO originates the electronic submission of the return. The taxpayer must sign and date the Form 8879 after reviewing the return and ensuring the tax return information on the form matches the information on the return.

Practitioner PIN Guidelines

What? The PIN can be any five numbers except all zeros. If filing a joint return, a PIN is needed for the taxpayer and their spouse. The Practitioner PIN option requires the completion of Form 8879, IRS *e-file* Signature Authorization, or Form 8878 if filing Form 4868 with electronic funds withdrawal. The taxpayers may authorize the volunteer to enter their PIN on their behalf using Form 8879.

How to use the Practitioner PIN option in TaxWise® (all can be set as a default)

- In the Main Information Sheet, "Self-Select and Practitioner PIN(s)" section, enter the ERO PIN.
- Check the box below the PIN field to select the Practitioner PIN method.
- Tab to "The Income Tax Return" and place an "X" in the box.
- In Part III, of Form 8879, the EROs signature should be defaulted with the site name, address, and SIDN.

Taxpayer PIN Entry

- After return has been quality reviewed and taxpayer(s) agree(s) with the return, enter PIN(s) on Main Info Sheet.

Self-Select PIN Guidelines

The Self-Select PIN method is an additional electronic signature method for taxpayers.

It eliminates the requirement for Form 8879, *IRS e-file Signature Authorization*.

What? The Self-Select PIN method allows taxpayers to electronically sign their *e-filed* return by entering **their own** five-digit PIN. The PIN can be any five numbers except all zeros. If filing a joint return, a PIN is needed for the taxpayer and his or her spouse. The taxpayer does not need to register the PIN with the IRS before filing or contact the IRS to get a PIN. If this confuses the taxpayer, suggest that they consider entering their ZIP code as their PIN.

What are the guidelines for entering the original adjusted gross income (AGI)?

When taxpayers sign their electronic tax return using the Self-Select PIN method, they must provide their original prior year AGI or prior year PIN for the IRS to validate their identity. The prior year AGI is the amount from the taxpayer's prior year originally filed return as accepted by the IRS; it is not the amount from an amended return or a math error correction made by the IRS. In some cases the prior year AGI may have unique features as follows:

- If the prior year return was filed as married filing jointly with the same spouse, enter the same prior year total AGI amount for each taxpayer. Do not divide the amount between the taxpayers.
- If the prior year return was filed as married filing jointly with a different spouse, enter the prior year total AGI amount from the joint return filed with the ex-spouse.
- If the taxpayer did not file a prior year tax return, the prior year return was filed after December 9, 2014, the prior year AGI was zero, or the taxpayer **did not need to file a prior year tax return but filed a return anyway**, the taxpayer must enter "Zero" for the original prior year AGI amount. **Do not leave this field blank**; the return will be rejected if the field is left blank for a zero amount.
- If the taxpayer's AGI is negative, the negative amount should be entered.
- If the taxpayer is unsure of his or her original prior year AGI, he or she may call IRS Customer Service at 1-800-829-1040.

PIN Guidelines (continued)

How to Use the Self-Select PIN Option in TaxWise®

- Go to the “Main Information Sheet.”
- Scroll to the “Self-Select and Practitioner PIN(s)” section. For ERO PIN, enter “98765.” (This is the designated ERO PIN for volunteer sites and can be set as a default.) **Do not** check the box below it.
- Tab to “Income Tax Return” and place an “X” in the box. (This can be set as a default.)
- After the return is completed and reviewed, return to the “Main Information Sheet.”
- If the taxpayer(s) chooses to use the Self-Select PIN, let the taxpayer(s) enter their PIN. Enter the date and the taxpayer(s) prior year AGI or PIN.

Removal of Form 8879 from the Print Packets:
To eliminate the automatic print of Form 8879 when the Self-Select PIN is used, check with your site coordinator.

Note: TaxWise® software users—Do not delete Form 8879 from your TaxWise® Tree. The information contained in this form must be included in the *e-file*.

Form 8453, Transmittal for an IRS E-file Return

Form 8453 will be used to transmit specific supporting documents that cannot be *e-filed*. Those paper forms, schedules and supporting documents include:

- Form 2848, Power of Attorney and Declaration of Representative (or POA that states the agent is granted authority to sign the return)
- Form 8332, Release / Revocation of Release of Claim to Exemption for Child by Custodial Parent (or certain pages from a divorce decree or separation agreement, that went into effect after 1984 and before 2009) (see instructions)
- Form 8949, Sales and Other Dispositions of Capital Assets (or a statement with the same information), if you elect not to report your transactions electronically on Form 8949

Form 8453 is to be mailed to the Austin Submission Processing Center within three business days.

Mail Form 8453 to:
Internal Revenue Service
Attn: Shipping and Receiving, 0254
Receipt and Control Branch
Austin, TX 73344-0254

TIP - Alternatively, a PDF of the attachments can be attached to the electronic return. In that case, no Form 8453 is required. To do this, scan the document to create the PDF. Then, in TaxWise®, click on the PDF box on the Main Info sheet, the POA, or Sch D. Select the file to attach and click OPEN. Click the Upload button. When the PDF attachment has been successfully uploaded, click Close to finish.

Return Signature

A return is not 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.

Child's Return

If a child cannot 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."

Deceased Taxpayer

If a taxpayer died before filing the return, the taxpayer's spouse or personal representative may have to file and sign a return for the person who died. A personal representative can be an executor, administrator, or anyone who is in charge of the decedent's property.

If the taxpayer did not have to file a return but had tax withheld, a return must be filed to get a refund.

Filing Returns of Deceased Taxpayers

If filing a paper return, write "Deceased," the decedent's name, and the date of death across the top of the tax return.

TaxWise® will automatically note on the top of Form 1040 the decedent's name and date of death.

If the spouse died during the year and the surviving spouse did not remarry, a joint return can be filed. If the spouse died before signing the return, the executor or administrator must

sign the return for the deceased spouse. If the surviving spouse or anyone else has not yet been appointed as executor or administrator, the surviving spouse can sign the return for the deceased spouse and enter "Filing as surviving spouse" in the area where the return is signed.

Form 2848, Power of Attorney and Declaration of Representative is no longer valid because the taxpayer is deceased and therefore, Form 56 or new Form 2848 signed by estate executor or representative must be completed.

Filing Returns for Deceased Taxpayers—Using TaxWise®

See the discussion earlier in this tab for TaxWise entries.

Claiming a Refund for a Deceased Person

If a surviving spouse is filing a joint return with the decedent, file the tax return to claim the refund. Court-appointed representatives should file the return and attach a copy of the certificate that shows their appointment. All other filers requesting the decedent's refund should file the return and attach Form 1310.

Incapacitated Spouse

If one spouse is incapable of signing the joint return and has not given someone a POA to sign on their behalf, the other (capable) spouse may be able to sign on behalf of their incapacitated spouse. A statement attached to the return may be required. See Pub 501.

Power of Attorney

1. Read Pub 17 on Power of Attorney & Signatures. For additional details, see Pub 947 and Form 2848 Instructions.
2. In TaxWise[®], click on Add Forms.
 - a. Double Click on POA (Form 2848) Check the box at the top of the POA, “using this form”.
 - b. On Line 2, fill in information about representative (if no CAF number, enter “None”).
 - c. On Line 3, Tax Matters, list “Type” as Income Tax Return.
 - d. On line 6, check box to retain TP’s original POA (not revoke).
 - e. Fill in red highlighted info (page 2 designation codes are listed above in red box) in Part II.
3. Attach a copy of the taxpayer’s original paper POA to a copy of Form 8453 for the site to send to the IRS once the return is accepted. Alternatively, you may scan the POA to a PDF and attach the PDF to the return prior to creating the e-file.

Even when the TP’s agent is using a POA different than Form 2848, follow the same process.

Distributing Copies of Returns

Taxpayer

- Form 1040 with all forms/schedules including signed Form 8879 and Form 8453, if applicable
- Organize the taxpayer's copy of the return according to the attachment sequence at the top right corner of each form. Any supplemental schedules are put at the end.
- Form 8332, if applicable
- Original Power of Attorney, if applicable
- State forms/schedules, as applicable
- All other taxpayer documents including Form(s) W-2 and Form(s) 1099

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. 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, as appropriate.

If applicable, State income tax returns should be signed and mailed to the appropriate address for that state.

Mailing addresses can be located in the References Tab and on www.irs.gov. In the search box, type "Where to file addresses". The addresses are also located in Form1040 instructions.



The Quality Review Process

Every tax return must be Quality Reviewed prior to the taxpayer leaving the site.

Volunteer Preparer

1. Advise the taxpayer of the importance of this Quality Review Process and their role in the process.
2. Compile the taxpayer's supporting documents and their intake and interview sheet.
3. Introduce the taxpayer to the quality reviewer and provide all items used to complete the return.

Quality Reviewer

1. Ask the taxpayer if all of their questions have been answered by the preparer.
2. Verify you have a copy of the tax return and all documents used to prepare the tax return. (Form 13614-C, W-2's, Form 1099's, Social Security documents, identification, etc.)
3. Conduct the Quality Review by addressing all items listed in Section VIII (Page 3) of Form 13614-C.
 - Taxpayer (and Spouse's) identity was verified with a photo ID.
 - The volunteer return preparer/quality reviewer are certified to prepare/review this return and return is within scope of the program.
 - All questions in Parts I through VI have been answered.
 - All unsure boxes were discussed with the taxpayer and correctly marked yes or no.
 - The information on pages one through three was correctly addressed and transferred to the return.
 - Names, SSNs, ITINs, and EINs, were verified and correctly transferred to the return.
 - Filing status was verified and correct.
 - Personal and Dependency Exemptions are entered correctly on the return.
 - All Income (including income with or without source documents) checked "yes" in part III was correctly transferred to the tax return.
 - Adjustments are correct.
 - Standard, Additional or Itemized Deductions are correct.
 - All credits are correctly reported.
 - All Affordable Care Act information is reported correctly.
 - Withholding shown on Forms W-2, 1099 and Estimated Tax Payments are correctly reported.
 - Direct Deposit/Debit and checking/saving account numbers are correct.
 - SIDN is correct on the return.

If there are errors:

- Discuss the error with the preparer and make sure you are both in agreement on the correction(s).
- Make correction(s) on Form 13614-C.
- Explain the error and correction with the taxpayer.

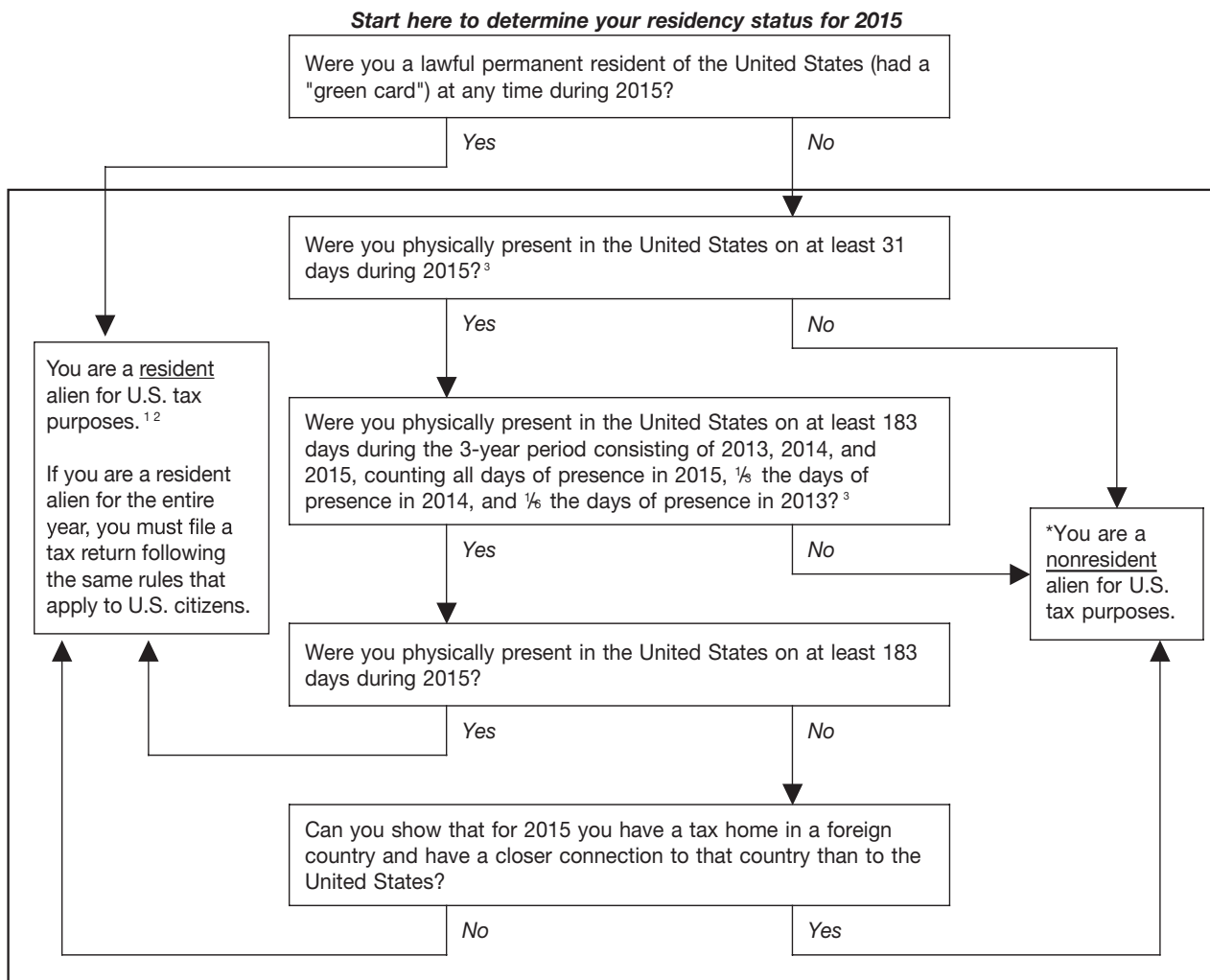
If there are no errors or after correcting errors:

- Ask taxpayer(s) if they have any questions.
- Advise taxpayer(s) that they are responsible for the information on the return. (This can be done by having taxpayer(s) review the statement in Part II of Form 8879, *IRS e-file Signature Authorization*)
- Obtain the appropriate taxpayer signatures and submit for e-filing.
- Place the copy of the taxpayer's return and supporting documents in Publication 730, *Important Tax Records Envelope (VITA/TCE)* or a Tax-Aide envelope, if available.
- Advise the taxpayer to bring completed tax return with worksheets (or the envelope and all its contents) back next year.

Determining Residency Status – Decision Tree

Resident Alien or Nonresident Alien?

Nonresident aliens are taxed differently from resident aliens, which is why it is important to determine their residency status. Use the following chart to determine if the taxpayer is a resident alien or a nonresident alien.



¹ If this is the first or last year of their residency, taxpayers may have a dual status for the year. Refer dual status aliens to a professional tax preparer.

² In some circumstances taxpayers may still be considered nonresident aliens under an income tax treaty between the United States and the foreign country. Check the provisions of the treaty carefully or refer to a professional tax preparer.

³ Do not count days a person regularly commutes to work in the United States from their home in Canada or Mexico, or days the person is an exempt individual. **Such individuals may not choose residency status.**

Exempt individuals include:

- Foreign government-related individual
- Teacher or trainee who is temporarily present under a J or Q visa (1st two calendar years)
- Student who is temporarily present under an F, J, M, or Q visa (1st five calendar years)
- Professional athlete who is temporarily in the United States to compete in a charitable sports event
- A non-resident alien with a medical condition that prevents him or her from leaving the country

There is generally a time limit to the number of years a teacher, trainee or student can be exempt. Check Pub. 519 for details.

See *Days of Presence in the United States* in Publication 519 for additional information and Publication 901 for specific information on how the taxpayer's visa status and country of origin affect how to count days of presence.

* Volunteers with foreign student certification may prepare tax forms and returns (Forms 8843, 1040NR, or 1040NR-EZ) for nonresident aliens within the scope of their training. Otherwise, refer taxpayers who are considered nonresident aliens to a professional tax preparer. If a non-resident alien is married to a U.S. resident or citizen and elects to be treated as a resident alien, a certified volunteer may prepare the return. See Publication 519 for additional information about this election.

Electronic Filing of Returns with Valid ITIN

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) not belonging to that taxpayer.

1. The taxpayer's ITIN must be entered on the Main Information Sheet in the space provided for the taxpayer's, or if applicable, spouse's social security number.
2. When completing the Form W-2 in TaxWise®, 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 will not auto-populate the TIN on Form W-2 for these ITIN filers.

Note: ITIN taxpayers requesting to file Forms 1099-R with an incorrect Social Security Number must file a paper return. These returns cannot be e-filed. There are no procedures in place to e-file these types of returns.

TaxWise® will generate a unique identifier that will always begin with ITIN followed by five numeric characters.

Creating a Temporary TIN when the Spouse and/or Dependent(s) are Applying for an ITIN

Although TaxWise® will create a temporary ITIN for the main taxpayer when you use the “Apply for ITIN” feature in TaxWise®, it will not generate temporary ITINs for the spouse and/or dependents. 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 cannot 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 not be used on the return.

1. In the TIN field, enter the number “9” followed by a fourth and fifth digit in the 70-88, 90-92, or 94-99 range and a numerical sequence with the number “1”. A return requiring three temporary TINs will be entered as follows:

The spouse’s	900-70-0001
The first dependent’s	900-70-0002
The second dependent’s	900-70-0003

Change the last digits of the TIN each time a new spouse or dependent applying for an ITIN needs a return prepared.

2. Fill in first and last name in TaxWise®. See Exemptions/Dependency & Main Info tab, Determining the Last Name of Taxpayer. Fill in name of each family member applying for an ITIN on a separate Form W-7 application. Make sure that names match required documentation that clients will be submitting with their W-7 application(s).
3. Print the return package, completely cross-out in INK the TIN on each form reflecting the temporary number; and provide the return package to the taxpayer to mail with Forms W-7 to the address shown on the Form.
4. If the taxpayer has a family pack that includes multiple Form W-7’s 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 necessary documentation, and tax return or take to local IRS office. **Note: Not all local IRS offices are authorized to process Form W-7 applications. See the list of supporting documentation in the Form W-7 Instructions.**
6. If applicable, prepare a copy of the state with a copy of the Federal attached. If taxpayers will not owe state, suggest they hold the state until they receive their official ITIN cards - may take 6-8 weeks - and record the ITINs on the tax returns before mailing. Remind the taxpayers that, if they apply for and obtain a valid SSN for all members of the family within 3 years, they can amend their return to obtain the EIC refund (if otherwise eligible).

Note: ITINs will now expire if not used within five years.

Starting a Return for a Primary Taxpayer Who Does NOT Already Have an ITIN (These returns cannot be electronically transmitted.)

In TWO, select New Return, then click on Apply for ITIN

In desktop, go to File then select Apply for ITIN

Amended Returns

Amended returns must be paper filed; they cannot be e-filed. To prepare an amended return, you **must** have an electronic or paper copy of the original return. If the original return is already in TaxWise®, start with step 2, below. Otherwise start with step 1.

1. Using taxpayer's paper copy of their original return, enter the tax data in TaxWise® to create a return that matches the copy. If the return was previously adjusted by the IRS, modify the original you entered to match the IRS changes before opening Form 1040X, *Amended Return*.
2. Open the original return in TaxWise®. If the return was previously adjusted by the IRS, modify the original return to match the changes the IRS made before opening Form 1040X.
3. Using the process for adding a form, select 1040X Pg 1 from the list and open the state amended return forms if the taxpayer is amending that return as well.
4. On the Form 1040X and the state's amended return form, if applicable, check the box at the top to override the original refund or balance due before making changes to any forms.
5. Starting with the Main Information Sheet, confirm the address, filing status and exemptions from the original return and make the appropriate changes such as adding or removing dependents. Add additional Forms W-2, other income documents or credit information as if you are preparing the original return.
6. TaxWise® will complete the Form 1040X Part I based on changes to the tax return. In Part III, provide an explanation for filing Form 1040X such as receiving another Form W-2 after filing the original return or forgetting to claim the child tax credit. Identify the line numbers that changed in Part I as well. In the state amendment, press on the space bar on each line of the explanation to copy the explanation from the federal amendments.
7. Review the forms tree on the left for any red marks and resolve any outstanding issues.
8. Have the return quality reviewed.
9. Secure the taxpayer's signature on Form 1040X and provide them with the appropriate mailing address from the Form 1040X Instructions. Follow the same process for state tax returns, if applicable.
10. When mailing the return to the IRS, do not attach a copy of the original return. However, you will need to attach certain forms, statements, etc. For example: a previously missing Form W-2 or 1099 showing tax withheld, or a new or changed Schedule C & SE.
11. Taxpayers should receive a copy of the return as filed and all documents to retain for their records.

Note 1: Advise taxpayers that the amended return should not be filed until all original refunds have been received. If there is a balance due on the current year amended return, filing by the April due date will reduce penalties.

TaxWise® Hint: To Open the original read-only version of the return, click on [File, Return Version]. You can then close the current version (as revised) or a previous version by date completed.

Note 2: Individuals who were in same-sex marriages may, but are not required to, file original or amended returns choosing to be treated as married for federal tax purposes for one or more prior tax years still open under the statute of limitations.

Note 3: A Taxpayer who previously filed with an ITIN (or ITINs if MFJ) and now has a valid SSN may amend open years to claim EIC (if otherwise eligible). After locking the return, change the TIN used on the Main Info Sheet to the new SSN(s).

Tip: Open both the Form 1040X and the state amended return and check the override boxes on both before making any changes.

Prior Year Returns

Who can prepare prior year returns?

Sites are encouraged to prepare prior year returns if they have the required technical resources described below. VITA/TCE volunteers may only prepare returns within the scope defined for their level of training. Similarly, prior year returns may only be prepared when the tax issues come within the scope of the volunteer's current level of training and certification.

Taxpayers seeking assistance outside the scope of the volunteers' certification should be referred to a professional tax preparer.

Determining the certification level of the return is described below in Getting Started.

Getting started:

- A **current** year Form 13614-C must be completed for each prior year and will be used to determine the scope and certification level of each return.
- Taxpayers with out-of-scope returns should be advised to seek assistance from a professional tax preparer.
- Assign prior year returns to experienced volunteers if at all possible.
- Both tax preparer and quality reviewer should meet or exceed the certification level of the return on the basis of their IRS-tax law certifications for the **current** year. They need not have been certified in the actual prior year.
- Some tax law provisions have expired for the current year but are still in effect for prior year returns. For those returns, the volunteer must be certified to the Advanced level.

Technical resources:

The SPEC relationship manager and www.irs.gov (keyword search: prior year returns) are critical resources for administrative and technical resources. Use the following tools:

- Prior year return tax preparation software (Required). If your site uses TaxWise® Online (TWO), you may access the prior year software using the following URLs:
<https://twonline.taxwise.com/14>
<https://twonline.taxwise.com/13>
<https://twonline.taxwise.com/12>
- Applicable Publications 17 and 4012 (available in the tax software) and volunteer quality alerts/volunteer tax alerts (available on www.irs.gov) (Required).
- Forms 13614-C from prior years are helpful and sites should keep copies after tax filing seasons.
- Taxpayer's Wage and Income Transcripts from IRS records are extremely useful.

Note: Taxpayers may order transcripts using the Get Transcript by Mail service. To use **Get Transcript by Mail**, taxpayers need their Social Security Number (SSN) or Individual Tax Identification Number (ITIN), date of birth, and address from their latest tax return. In addition, taxpayers can request a transcript via the 4506-T, or call 1-800-908-9946. The IRS2Go mobile app is also available for ordering either of these transcripts.

- Prior year tax form instructions and publications are available on www.irs.gov.
- Interactive Tax Assistance (ITA) is an online tool that provides answers to a limited number of current and prior year tax law questions using a probe and response process. ITA is available on www.irs.gov.

Whether to e-file or mail prior year returns:

Only 2012 and subsequent tax returns can be e-filed. Other prior year returns must be mailed. Refer taxpayers to the Form 1040 Instructions for the appropriate address to mail their tax return. Also, see the information about balance due returns in this Volunteer Resource Guide (Preparing the Return tab).

Expired Tax Topics and Other Issues Applicable to Prior Years:

Refer to the Publication 17 for the applicable tax year and review the "What's New" section.

What if a site cannot prepare a requested prior year return?

If possible, refer taxpayers to other VITA/TCE sites that offer prior year return service. Otherwise, advise them to seek assistance from a professional tax preparer. (**Note:** do not refer taxpayers to their local IRS Tax Assistance Center because they no longer prepare tax returns for individuals.)

Filing for an Extension Using TaxWise®?

You can help taxpayers file for an extension using TaxWise®, as long as their payment will not include Direct Debit. This option does not require a taxpayer PIN. The steps are outlined below.

1. Complete the client's return as accurately as possible.
2. Go to the PIN section on the TaxWise® *Main Information Sheet*, near the bottom of the form.
3. In the PIN section, select "Form 4868 without direct debit."
4. Open Form 4868 and select for the box at the top of the form labeled "Check here if using this form." TaxWise® overrides and locks lines 4 and 5, "Estimate of total tax liability" and "Total payments."
5. Enter the amount being paid with Form 4868, if any.
6. Run diagnostics and create the e-file.
7. Close the diagnostic screen.
8. Print return for taxpayer files. Write "NOT FILED Extension Requested" across the top of return
9. Taxpayer must send in Form 1040-V with payment, if they expect to owe.
10. Make sure taxpayer understands they still have to file a return by October 15.

Setting up TWO

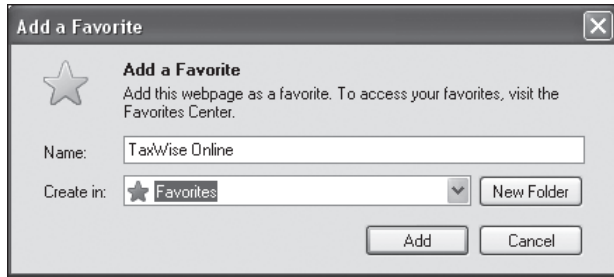
To set up TaxWise® Online as a Favorite in Internet Explorer, use the following steps:

1. Open Internet Explorer or Google Chrome.
2. Type <https://twonline.taxwise.com> in the address line. To access prior year software type /and year at the end of the address line.

For example: <https://twonline.taxwise.com/14>, [/13](https://twonline.taxwise.com/13), or [/12](https://twonline.taxwise.com/12).

Address	https://twonline.taxwise.com
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3. Click on the **Favorites** icon.
4. Click **Add**.
5. In Name, type the name you want the favorites to display.



6. Click **OK**.

Logging on to TWO the first time

- From your Favorites, select **TWO**.

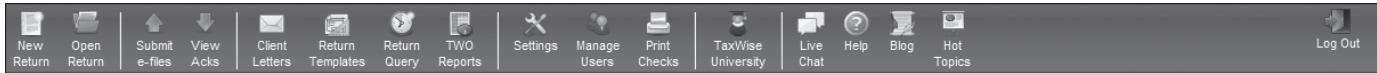
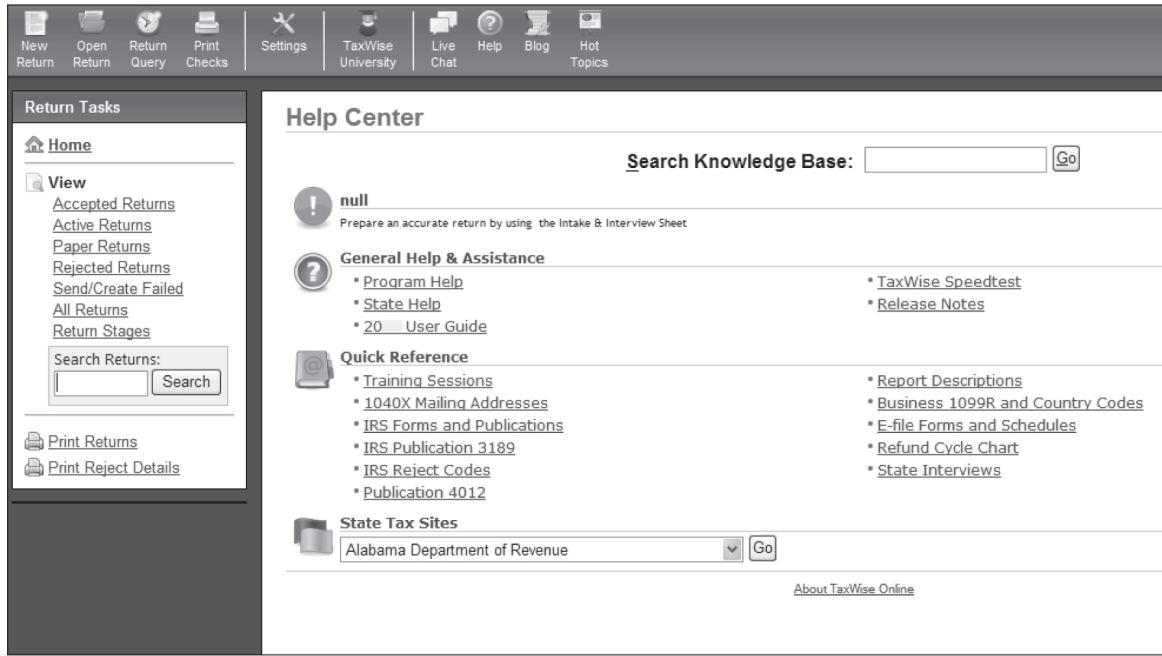
The user name is not case sensitive.

To log on to TaxWise® Online, do the following:

- Enter your **client ID**, **User Name**, and **Password**.

Except for the ADMIN user, your User Name and Password will be the same during this process. “When you log in for the first time, you will be asked to choose a security question and answer.”

TWO Homepage



New Return—Select to start a new return.

Open Return—Select to open existing return.

Return Query—Select to check the status of any tax return.

Settings—Select to set user options and preferences.

Print Checks—Not applicable for VITA/TCE.

Search—To open an existing return, enter any part of SSN or last name in Search box.

TaxWise® University—Select to log into TaxWise® University.

Live Chat—Select to use Live Chat with CCH.

Help—Select when in a return to access the Help Center.

Blog—To access Taxwise® Blogs

Hot Topics—Links to Taxwise® Hot Topic Page.

TWO Shortcuts

F1: Opens program help from anywhere inside the application

F3: Estimate/un-estimate

F5: Refresh

F8: Override/un-override

F9: Link to a form

F11: Minimizes Internet Explorer toolbar

Ctrl+E: Next required field

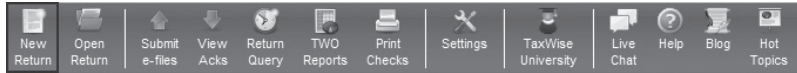
Ctrl+I: Insert row

Ctrl+R: Remove row

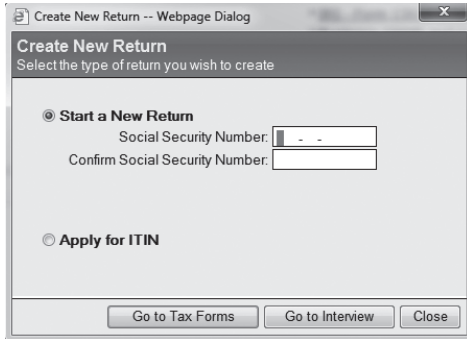
Creating a New Return

To start a new return, use the following steps:

1. Click on the **New Return** icon on the toolbar:



2. Enter the taxpayer's SSN in the Social Security Number box.

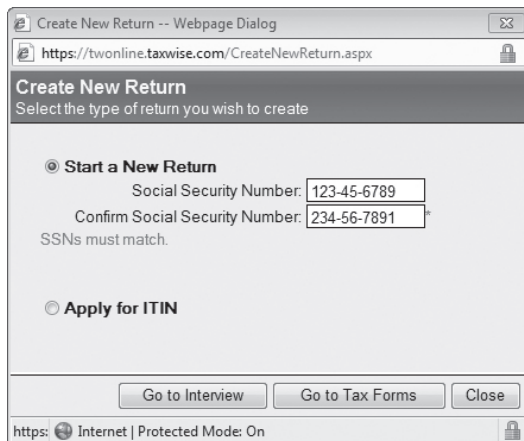


3. Re-key the taxpayer's SSN in the Confirm Social Security Number box.

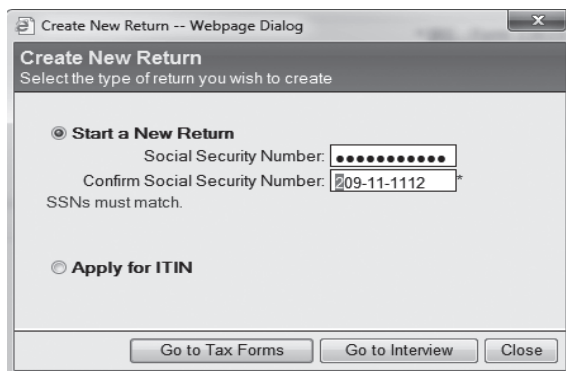
TWO has two methods for input of the tax return, Interview based and Forms based.

- The TaxWise® Online Interview allows you to gather information that determines which tax forms must be included in each return. Based on the answers to the questions, the program will load needed tax forms and will determine when some additional information is needed. Many questions require the user to make decisions using information already collected from the client through the Intake and Interview Process.
- The "Go to Tax Forms" method is similar to TaxWise® Desktop. The preparer completes the Main Information Sheet, opens Form 1040, page 1 and adds the appropriate forms as the Form 1040 is completed. The user may switch between interview completion and forms completion at any time.
- Click the **Close** button to close the return and go back to the **TaxWise® Online Homepage**.

If the SSN is already in use, TWO displays the following:

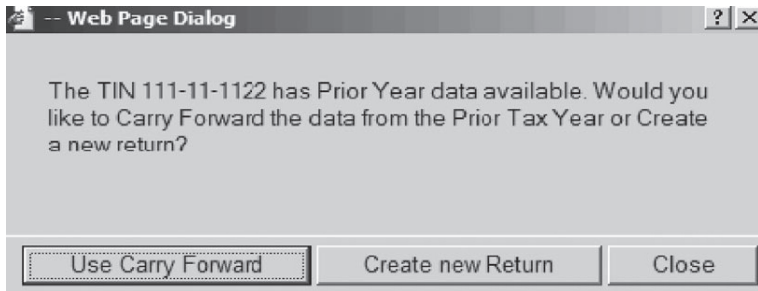


If the SSN does not match, TWO displays the following:



Using the Carry Forward Function

In TWO Online there are no preliminary steps needed to perform the Carry Forward function. Click on the **New Return** button and enter the SSN for the taxpayer. If the same client ID was used to prepare the taxpayer's return last year, you will receive the message below with the option to use carry forward, create a new return, or close this window.



If you elect to use the Carry Forward function, the return will open with the prior year's information, and there are no further steps to take. Information to be verified will be underlined in red, simply verify, remove the red and complete the return as normal. **Caution - Be sure to verify that all EIN's and addresses on Forms W-2 and 1099-R are still the same as the prior year when using carryforward.**

The TaxWise® Online Interview

- On each page you have the options of Next to continue or Previous to go back one page.
- The **Help Me** button displays a Filing Status Wizard to assist you in determining filing status.

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



The TaxWise Online Interview

Filing Status

Personal Info
Location
Address
Special Processing
General Questions
Dependents
Types Of Income
Assets
Adjustments
Deductions
Extra Questions
State Return
Select States
Custom Questions
Finish

Please choose your client's filing status:

Single

Married Filing Separately

Married Filing Jointly

Head of Household

Qualifying Widow(er) with Dependent Child

After filing status the next screen is an input screen that gathers client's personal information.

Some interview screens have questions that require additional information. For example, answering Yes to this question about dependents causes a new screen to appear asking for more information about the dependent(s).

Note: Be sure to list dependents in order of youngest to oldest.

Action	First name	Last name	Date of birth	Social security number
<input type="button" value="Edit"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="button" value="Edit"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="button" value="Edit"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="button" value="Edit"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

* Click on "EDIT" button to add/modify dependent information

This screen requires you to click an Edit button and input additional information about each dependent.

Clicking the Edit button causes this screen to appear. After collecting the Intake and Interview information from the client, it is imperative that you input all the required information correctly.

The screenshot shows the 'The TaxWise Online Interview' window. The left sidebar contains a navigation menu with options like 'Filing Status', 'Personal Info', 'Location', 'Address', 'Special Processing', 'General Questions', 'Dependents', 'Dependent List', 'Types Of Income', 'Assets', 'Adjustments', 'Deductions', 'Extra Questions', 'State Return', 'Select States', 'State Questions', 'Custom Questions', and 'Finish'. The main area is titled 'Dependent Details' and contains the following fields and questions:

- Enter dependent and non dependent (for purposes of EIC or the Child Care Credit) information here. See the instructions below for column explanations
- First Name: [Text Box] Last Name: [Text Box] Date of Birth: [Text Box]
- Social Security Number: [Text Box] Relationship to taxpayer: [Dropdown]
- How many months did this dependent live in the home during 2013? [Dropdown]
- (If this dependent was born in 2013, enter 12)
- Code: [Text Box]
- Check if the taxpayer paid for child or dependent care for this dependent in order to work.
- Check if this child qualifies for EIC.
- This dependent qualifies for Child Tax Credit.
- Was the individual a US Citizen, Resident of US, Canada, or Mexico? Yes No
- Is the individual under 19 years of age; a student under 24 years of age; or permanently and totally disabled? Yes No
- Did you provide more than 50% of the support for the dependent claimed? Yes No
- Can anyone else claim this dependent on their income tax return? Yes No
- Did the dependent file a joint return for 2013? Yes No
- Is the individual single as of 12/31/2013? Yes No
- Did the Individual receive less than \$3900 in income? Yes No

Buttons at the bottom include 'Cancel', 'Delete', 'Save', 'Previous', and 'Next'.

If there is a chance the child will be a qualifying child for EIC purposes, be sure to check the EIC box next to the child's name. TaxWise® will not allow the EIC if their income doesn't qualify.

Remember to complete all questions in the interview Mode, then Click **Finish** to continue. Complete the return by inputting any additional information directly into the tax return. Your screen will look something like the following:

US	Main Information Sheet				2013
This return can be filed on Form <u>1040A</u>					
Check form you are using: <input checked="" type="radio"/> 1040 <input type="radio"/> 1040A <input type="radio"/> 1040EZ <input type="radio"/> 1040PR <input type="radio"/> 1040NR <input type="radio"/> 1040NREZ					
Check one: <input type="radio"/> Spanish forms on the screen and printed. <input type="radio"/> Spanish forms printed only.					
Sal.	Your first name	Initial	Last name	Suffix	Your SSN
	<u>Test</u>	<u></u>	<u>Return</u>	<u></u>	<u>209-11-1112</u>
If filing a JOINT return, enter your spouse's					
Sal.	First name	Initial	Last name, if different from yours	Spouse's SSN	
	<u></u>	<u></u>	<u></u>	<u></u>	
Mailing address					
Name line 2. Use % for care of					
Present home address <u>225 Chastain Meadows Court</u>					
Zip code, city, and state <u>30144- KENNESAW, GA</u>					
Email address <u></u>					
Telephone numbers			Taxpayer	Spouse	
Daytime			<u>404-222-2222</u>	<u></u>	
Evening			<u>404-222-2222</u>	<u></u>	
Cell phone			<u>404-222-2222</u>	<u></u>	
Foreign phone			<u></u>	<u></u>	
Birth date			<u>02/25/1991</u>		

Navigating the Tax Return

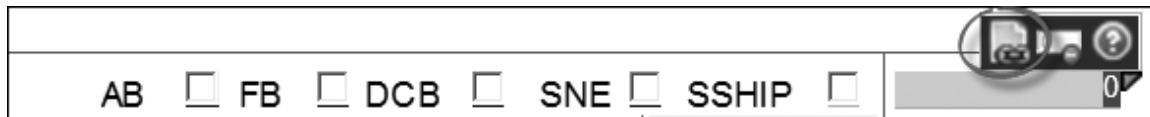
Color coding:

Option	Description
Green	These entries are calculated by TaxWise® Online from information on supporting forms. You cannot type data directly into a calculated entry or delete the calculated value unless you override the calculation.
Black	These entries are non-calculated, and you can type data directly into them.
Red	These entries are required for e-filing. TaxWise® Online marks certain entries as required to assist you with preparing a complete and accurate tax return. You must complete entries for TaxWise® to check off the form as “complete” on the list of forms in the Tree. When you type data in a required entry, TaxWise® Online displays the text in green and converts the entry to a non-calculated entry when you refresh the return.
Blue	These entries are calculated entries that have been overridden by the preparer.

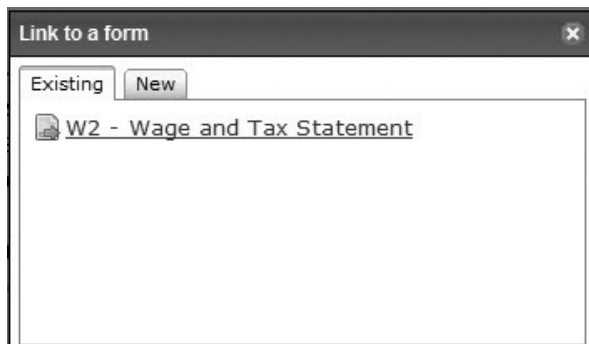
1. To remove the red, click on the *Toggle Estimated* icon to the right of the *Link* icon (see *Linking to a Form*) or press F3 or Ctrl-Spacebar.
2. After entering data (or if newly selected form, click anywhere on the form), press Tab to go to next red entry.
3. Do not use *Scratchpad* if form or worksheet available (check if one existing before opening new).

Linking to a Form

To link to a supporting or additional form, you will click on the **Link** icon to access the window where you can select the form you need. For example, if your cursor is on Form 1040, line 7, click the Link icon to open the window to show any forms that will carry income to this line.



In the screen shot below, the **Existing** tab is the active window (lighter gray). It will list any forms that are already linked. Clicking on the **New** tab will list any forms that can be selected for the associated field (Form 1040, line 7).



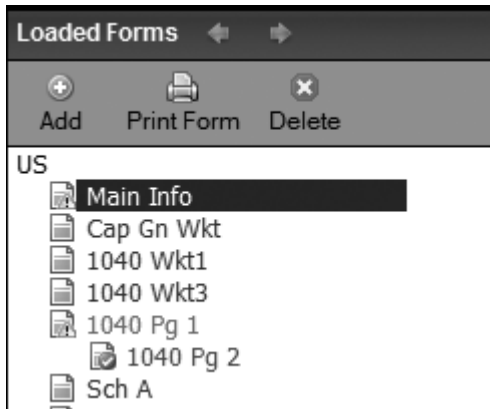
You can also use the **Link** icon to link worksheets or scratch pads to entries. For example, while on Schedule A, line 1, the **Link** icon will open the window where you can select the *Itemized Deduction Detail Worksheet*.

The TaxWise® Online Tax Forms

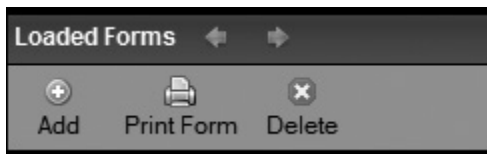
Go to Tax Forms allows the preparer to complete the tax return using the forms-based method.

Preparers complete the Main Information Sheet, open Form 1040, page 1, and add the appropriate forms as they go down Form 1040.

The Forms Tree to the left of the return shows all the forms that are currently loaded for the active return. The icons next to the forms indicate whether a form has been loaded, is complete, needs completion, or is not used.

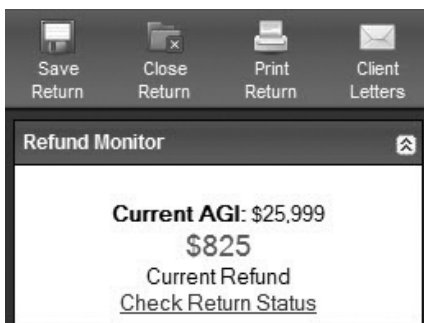


To navigate the tax return, it is better to use the navigational buttons located above the Loaded Forms tree. The following describes these buttons when completing a return:



Option	Description
Previous	Opens the previous form on the active screen.
Next	Opens the next form on the active screen.
Print Form	Prints the active tax form.
Add	Adds a single form to the active return.


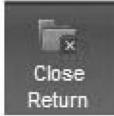

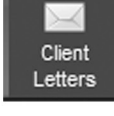

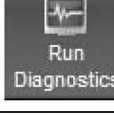
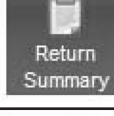
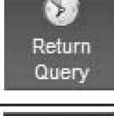

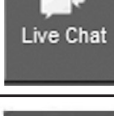
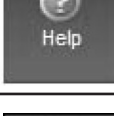

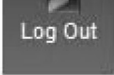
The Refund Monitor, shown to the left of the return, displays the current AGI and the refund amount or balance due for the active return. These figures change as return data is added.



The Refund Monitor can be hidden from display by clicking the Show/Hide Details button.

TaxWise® Online Toolbar Icons

The following illustration shows the available toolbar icons when completing a return:

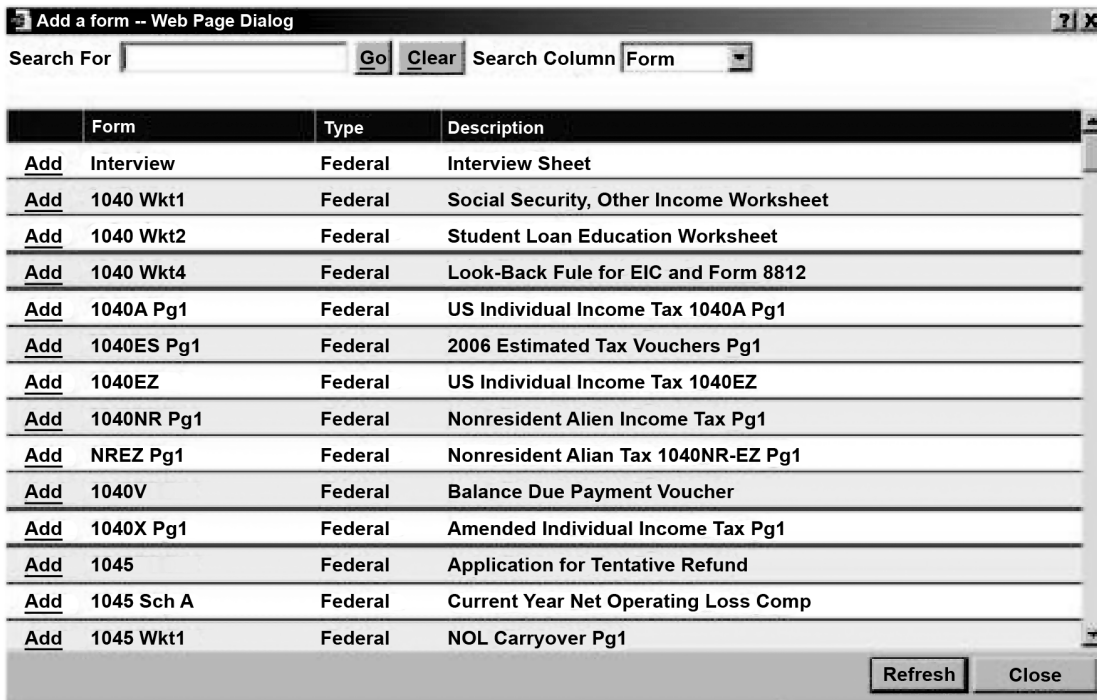
Icon	Description
 <p>Save Return</p>	<p>Saves the active return</p>
 <p>Close Return</p>	<p>Closes the active return</p>
 <p>Print Return</p>	<p>Prints the active return</p>
 <p>Client Letters</p>	<p>Allows you to create and print client letters</p>
 <p>Switch To Interview</p>	<p>Changes to interview process</p>
 <p>Run Diagnostics</p>	<p>Checks the return for electronic errors prior to creating the electronic file</p>
 <p>Return Summary</p>	<p>Checks the status of the active return</p>
 <p>Return Query</p>	<p>Checks the status of any return</p>
 <p>Forms List</p>	<p>Displays the list of available forms to be added to the active tax return</p>
 <p>Live Chat</p>	<p>Allows you to interact with CCH or TaxWise® Customer Support</p>
 <p>Help</p>	<p>Provides a link to the Homepage and the help functions</p>
 <p>Blog</p>	<p>The blog is updated with important information during the tax season</p>
 <p>Log Out</p>	<p>Closes the software and all returns</p>

Adding Forms to a Return

There are three ways to **Add a Form** to the active tax return:

- Link from the appropriate cell, e.g., Sch B to Interest Stmt or Sch D to Form 8949 to Cap Gn Wkt.
- From the Loaded Forms tree, click the **Add a Form** icon, or
- Select the **Forms List** icon.

The following illustration shows the Add a Form window for “Show All Forms”:



The screenshot shows a web dialog window titled "Add a form -- Web Page Dialog". It features a search bar with "Search For" and "Go" and "Clear" buttons, and a "Search Column" dropdown menu set to "Form". Below the search bar is a table with the following columns: Form, Type, and Description. The table lists various tax forms, each with an "Add" link in the first column. At the bottom right of the dialog are "Refresh" and "Close" buttons.

Form	Type	Description
Add Interview	Federal	Interview Sheet
Add 1040 Wkt1	Federal	Social Security, Other Income Worksheet
Add 1040 Wkt2	Federal	Student Loan Education Worksheet
Add 1040 Wkt4	Federal	Look-Back Rule for EIC and Form 8812
Add 1040A Pg1	Federal	US Individual Income Tax 1040A Pg1
Add 1040ES Pg1	Federal	2006 Estimated Tax Vouchers Pg1
Add 1040EZ	Federal	US Individual Income Tax 1040EZ
Add 1040NR Pg1	Federal	Nonresident Alien Income Tax Pg1
Add NREZ Pg1	Federal	Nonresident Alien Tax 1040NR-EZ Pg1
Add 1040V	Federal	Balance Due Payment Voucher
Add 1040X Pg1	Federal	Amended Individual Income Tax Pg1
Add 1045	Federal	Application for Tentative Refund
Add 1045 Sch A	Federal	Current Year Net Operating Loss Comp
Add 1045 Wkt1	Federal	NOL Carryover Pg1

- Enter the Form Name, Form Number, or part of the form description in the **Search For** box:



A close-up of the search box from the dialog window. It shows the text "Search For:" followed by an empty input field, and "Go" and "Clear" buttons to the right.

- Select **Clear** to remove your search criteria.
- Click the **Add** link next to the appropriate form.

Additional Dependent Worksheet

If there are more than four dependents to list, enter the first four dependents on the Main Information and the remaining dependents on the Additional Dependent Statement by **linking from the first dependent field on page 1 of Form 1040**.

- Nondependents must be listed on the Main Information Sheet—they cannot be listed on the statement.
 - Children who are qualifying children for EIC or Dependent Care must be listed on the Main Information Sheet.
1. Click on the first name in the list.
 2. Click on the Link icon.

The following illustration shows the Entry Links window:



- Click on the New tab.
- The Entry Links window defaults to Existing forms.
- Click on the Add icon next to “Addl Deps – Form 1040 Line 6c”.

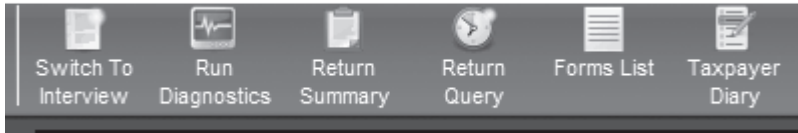
The following illustration shows the Additional Dependent Worksheet:

US 1040		Line 6c: Additional Dependents					2011	
Do not skip lines. Delete blank lines by using the ALT and DELETE keys.								
Code = Dependent code. Enter 1, 2, or 3.								
Dependent Information		Date of birth	Age	Social security number	Relationship to you	Mo in #m	C o d e	C T C
First name	Last name	Name code						
			0				0	<input type="checkbox"/>
			0				0	<input type="checkbox"/>
			0				0	<input type="checkbox"/>
			0				0	<input type="checkbox"/>
			0				0	<input type="checkbox"/>

Note: There is no column for Dependent Care or Earned Income Credit.

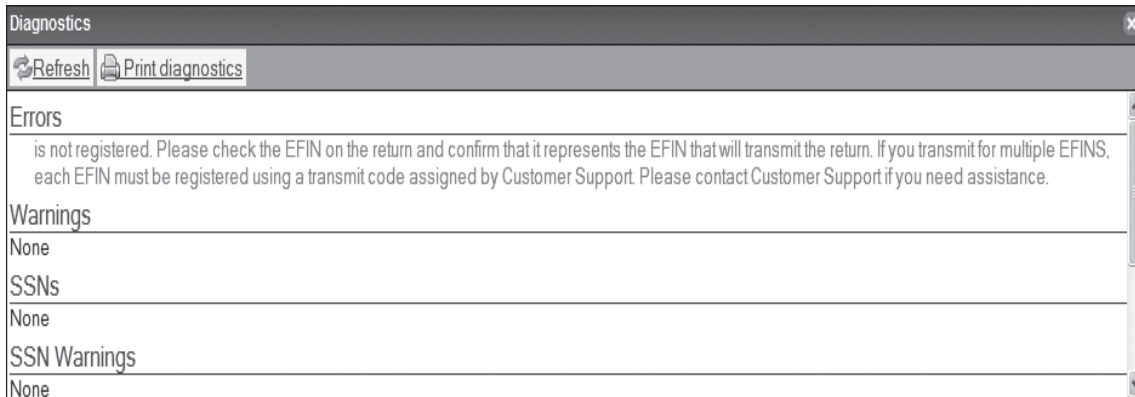
Running Diagnostics and Creating an Electronic File

- Select the **Run Diagnostics** icon for the active return.



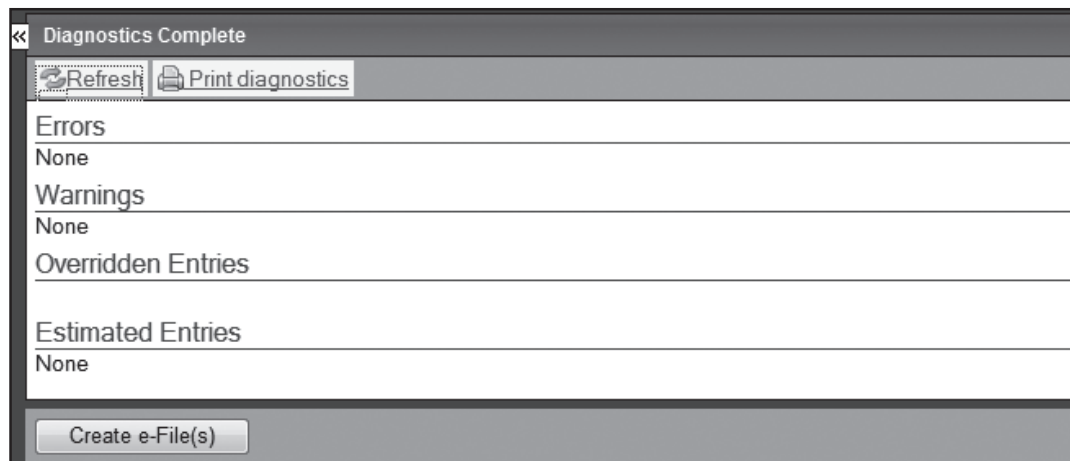
- Check to see that all overrides are necessary.

The following illustration shows the diagnostics details:



- Correct all e-file errors. The text will be red and generally if you click on the error, TaxWise® will take you to the error that needs correction.
- Select the **Refresh icon** again.

The following illustration shows the diagnostics details after all e-file errors have been corrected:



- Select the **Create Efiles** hyperlink.
- Close the return.
- Complete this step prior to printing the return. This will print the DCN on Form 8879.

Note: To delete an e-file, on Main Information Sheet, change the type of return to paper, and then back to e-file

Setting the Return Stage

Setting the return stage from inside the tax return:

1. Open the return.
2. Select the **Return Summary** icon.
3. Select the appropriate stage from the drop down box in the Efile Status section. See your Site Coordinator for further information on selecting return stages.
4. Return Stage can also be selected from the Active Return screen.

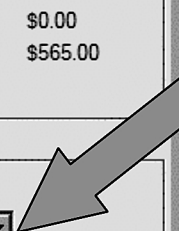
Return Status
This will be the definition of the return status dialog

Demographic Information			
MERCIE BATES	Filing Status:	SINGLE	
3300 BOWIE DRIVE	Dependents:	0	
GREENSBORO, NC 27401-			

Federal Income Information			
Earned Income:	\$9,651.00	Computed Tax:	\$433.00
AGI:	\$9,651.00	Tax Withheld:	\$998.00
Taxable Income:	\$4,301.00	Est. Tax paid:	\$0.00
Payments/Credits:	\$0.00	Refund(Due):	\$565.00
EIC:	\$0.00		

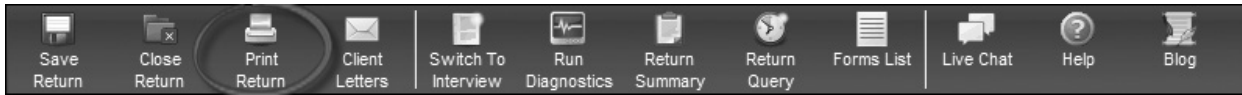
Efile Status		
Date Created	Status	No IRS efile made
Date Sent	Return Stage	<input type="text" value="No IRS efile made"/>
Date Rejected	DCN	
Date Accepted		

COMPLETE
PAPER RETURN
READY TO REVIEW
READY TO TRANSMIT
WAITING ON SIGNATU

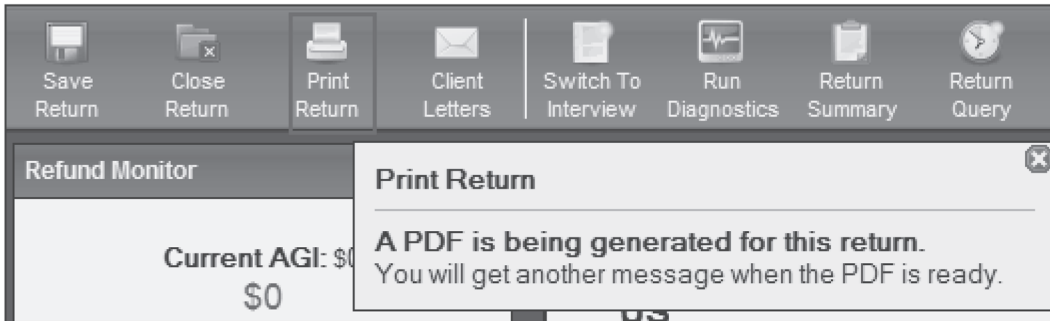


Printing the Active Tax Return

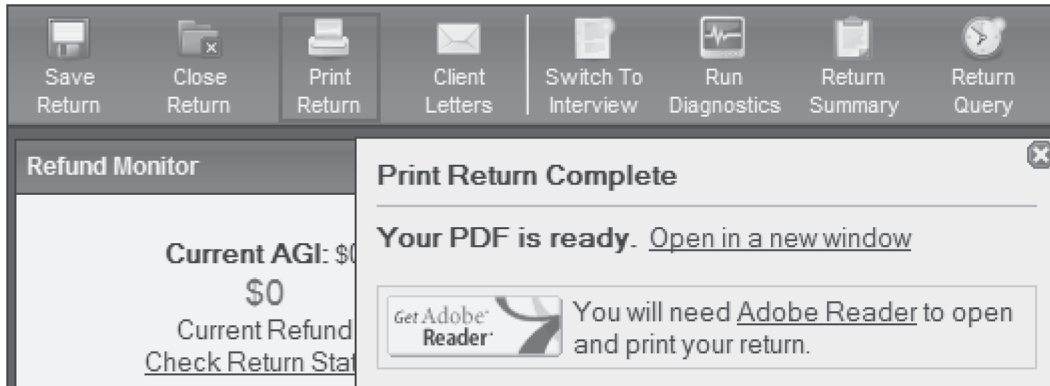
To print a return while you have the return open, you can click the tool bar's **Print Return** button.



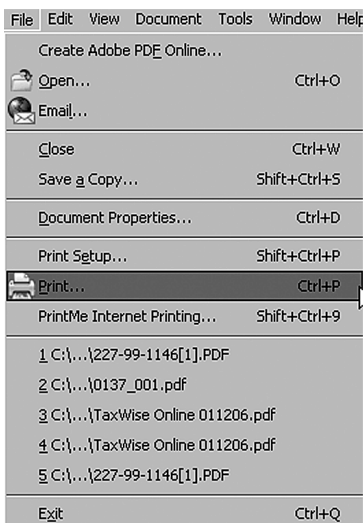
TaxWise® Online displays the PDF message box.



Click open in a new window link.



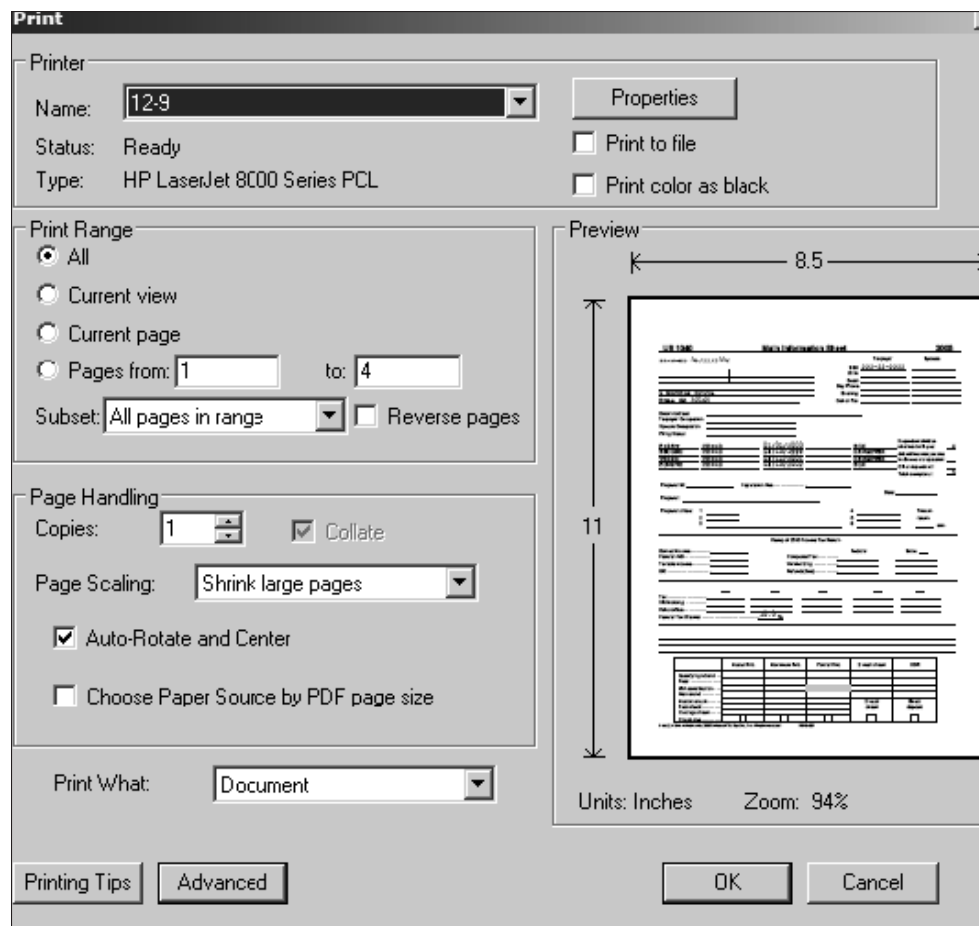
Once the PDF file opens, you can print by clicking on the Print Return icon on the task bar or by opening the file menu and selecting “Print”.



Note: This will print the entire return. To print a specific page, identify the page number and/or change the print range.

- Select **Cancel** to cancel the printing process.

The following illustration shows the Adobe Reader Print dialog box:



Defaults to your Windows default printer.

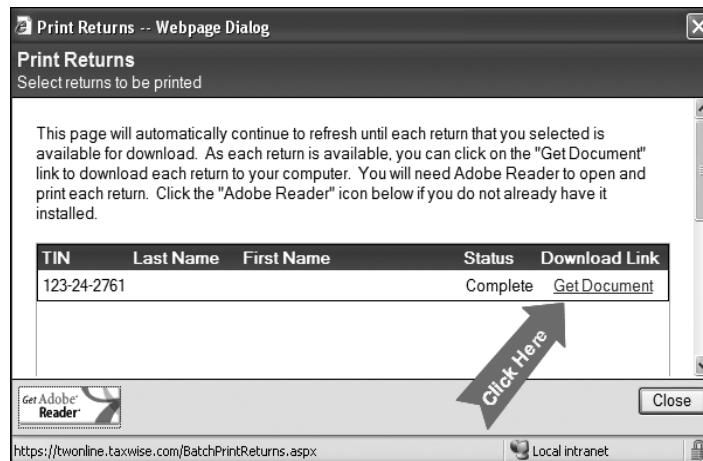
Printing from the User Homepage

- Select the **Print Return** icon found on left Return Task box.

The following illustration shows the **Print Returns** dialog box:



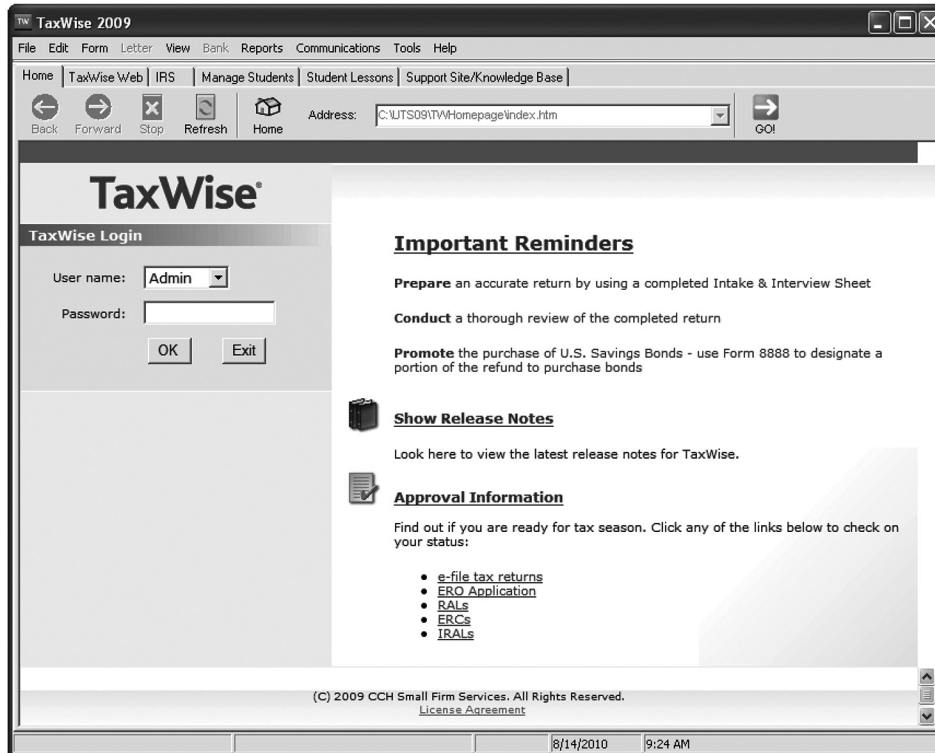
- Select the appropriate returns to print.
- Click on the **Submit** button.
- Click **OK** to confirm the selected returns to print.



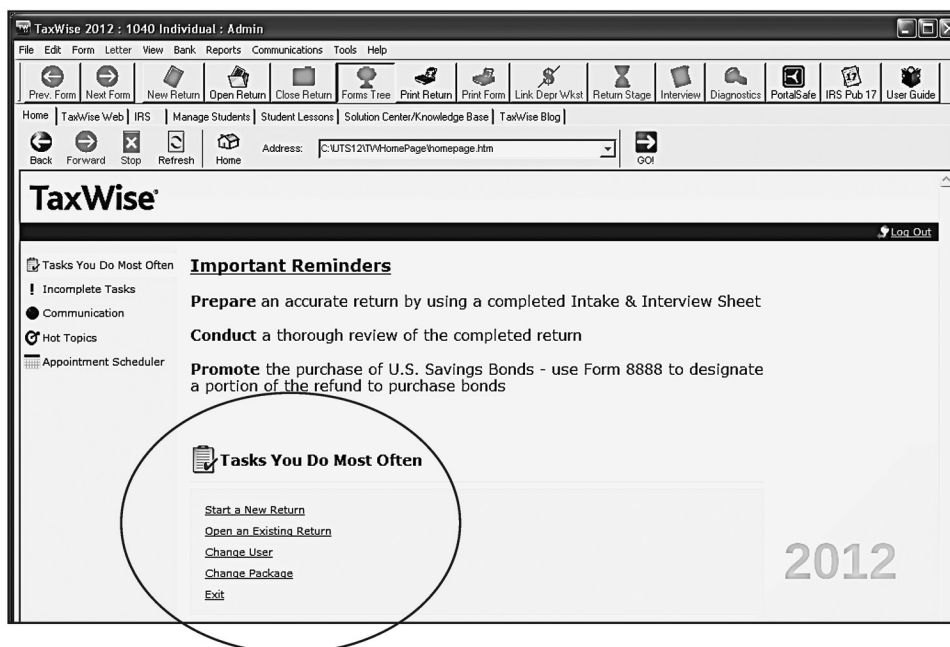
Note: If you are using TaxWise Desktop only because TWO is not available, follow these instructions. When TWO becomes available, run diagnostics and click Mark to Transfer. Then follow the instructions on Page O-7 to transfer the returns to TWO.

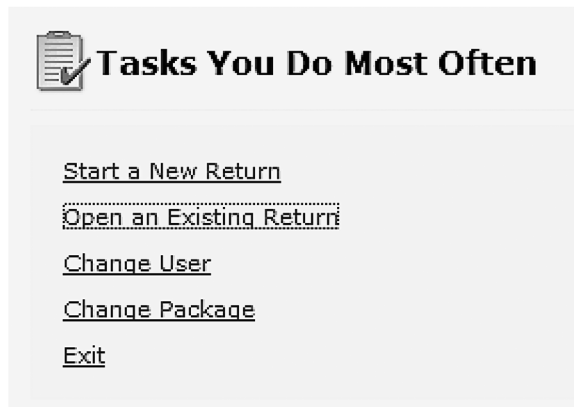
TaxWise® Log in Screen

Open TaxWise®, select a User name, enter a Password, and click **OK**.



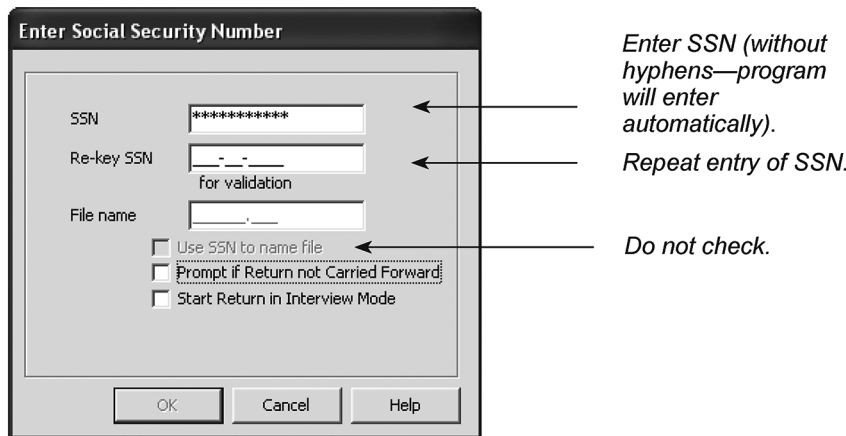
TaxWise® Desktop Homepage





- Start a New Return—Double click to start a new return
- Open an Existing Return—Double click to open a list of all returns under the current user.
- Change User—Double click to open a dialogue box that will let you log in as a different user.
- Change Package—not used by VITA/TCE.
- Exit—Double click to close the program.

Starting a New Return



TaxWise® will automatically generate an alpha-numeric filename that will be associated with the SSN. The association will ensure unique file names for each return which will allow the program to show the SSN rather than filename in TaxWise® Explorer and also during Backup and Restore. The option to “Use SSN to name file” will be grayed out.

Check box that reads "Prompt if Return not Carried Forward" if you want information from the previous year’s tax return to carry forward to this year’s tax return.

Caution - Be sure to verify that all EINs and addresses on Form W-2 and 1099 are still the same when using carry forward information.

TaxWise® Desktop Quick Reference

The TaxWise® Window

Title Bar: TaxWise 2012 : 1040 Individual : Admin : 123-45-6789

Menu Bar: File Edit Form Letter View Bank Reports Communications Tools Help

Main Tool Bar: Prev. Form Next Form New Return Open Return Close Return Forms Tree Print Return Print Form Link Depr Wkst Return Stage Interview Diagnostics PortalSafe IRS Pub 17 User Guide

Refund Monitor: AGI: \$11,500 Balance Due: \$701

Forms Tree: 123-45-6789 Main Info 1040 Individual Forms 1040 Pg 1 1040 Pg 2 1040 Wkt1 1040 Wkt3 1040V Sch A A Detail Sch B Interest Stmt(Fully Dividend Stmt Sch C Pg 1 Sch C Pg 2 1099 MISC[TP-] Sch E Pg 1 Sch E Pg 2 Sch EIC Wkt Sch R Pg 1 Sch R Pg 2 1099R[TP-ABC] 2210 Pg 1 2210 Pg 2 2210 Pg 3 2210 Pg 4 6251 Pg 1 6251 Pg 2 8863 Pg 1 8863 Pg 2[JOE BL]

Main Information Sheet (2012): US Main Information Sheet 2012. This return can be filed on Form 1040A. Check form you are using: 1040 1040A 1040EZ 1040PR 1040NR 1040NREZ. Check one: Spanish forms on the screen and printed. Spanish forms printed only. Sal. Joe, Initial J, Last name Blaw, Suffix, Your SSN 123-45-6789. Mailing address: 123 MAIN, 93815-0000, COEUR D'ALENE, ID. Telephone numbers: 208-265-6588. Taxpayer Spouse.

Annotations:
 Red Exclamation means incomplete
 Blue Check means complete
 Click minus to hide additional pages
 Context-sensitive help screen shows instructions for the current entry.
 Alt-F1 toggles the context-sensitive help screen on or off

Bottom Bar: Form 21 Batch 82 Seq # 0 MM/DD/YYYY 123-45-6789 6/24/2013 4:58 PM In Return: 598 minutes and 16 seconds

Forms Tree shows common tax forms. Those with red explanation marks or blue check marks are included in this return.

Main Tool Bar



- Forms Tree - toggles the forms tree on or off
- Print Return - opens print screen, so you can choose which print packets to print.
- Print Form - prints the open form only.
- Return State - lets you mark the return with the stage it is in (in progress, waiting for signatures, complete, etc.)
- Interview - opens the interview format instead of the tax forms
- Diagnostics - checks the return for obvious errors
- PortalSafe - Not used by VITA/TCE
- IRS Pub 17 - opens PDF of current Pub 17
- User Guide - Opens PDF of current TaxWise User Guide

Moving around in TaxWise®

- Select a form in the Forms Tree, **then click anywhere in the form itself.**
- Tab and Enter moves the cursor to the next cell.
- Shift-tab moves the cursor to the previous cell.
- Page Up and Page Down move the cursor to the next screen or next required field.
- Right-arrow and left-arrow move the cursor within a cell.

CLASSIC COLOR SCREEN

Yellow Calculated Entries
 Green Non-calculated Entries
 Red Block Required Entries
 Red on Gray Overridden Entries
 White on Red Estimated Entries
 Yellow Block..... Scratch Pad Attached

Function Keys

Function Key	Description
F1	Display Help
F2	Save Return
F3	Estimate
F5	Calculator
F6	Show 2nd Form
F7	Return Status
F8	Override Entry
F9	Link Form
F10	Close Form/Return
F11	Insert Variable
Shift+F1	IRS Instructions
Shift+F3	Un-Estimate
Shift+F8	Un-Override
Shift+F9	Remove Form
Shift+F10	Add New Copy
Shift+F11	Pause Timer
Alt+F1	Context-Sensitive Help
Alt+F9	Sort Ascending
Alt+F10	Sort Descending
Ctrl+F3	Find Next
Ctrl+F10	Add New Form
Ctrl+F10	Add Form/Display Form List

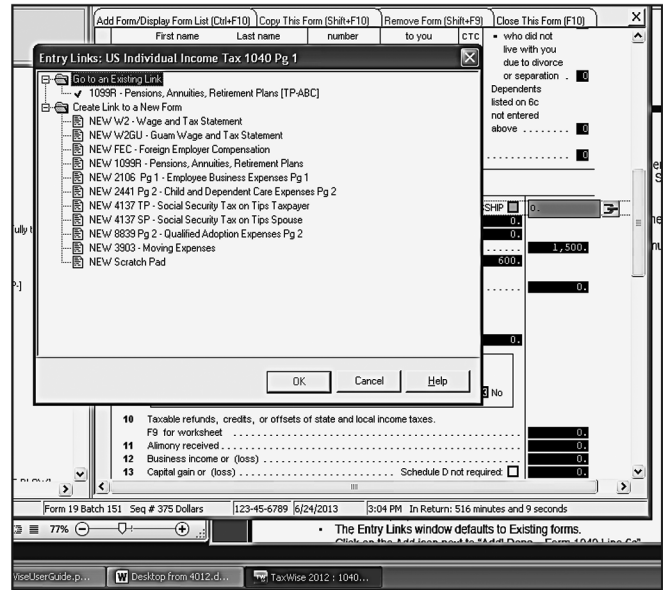
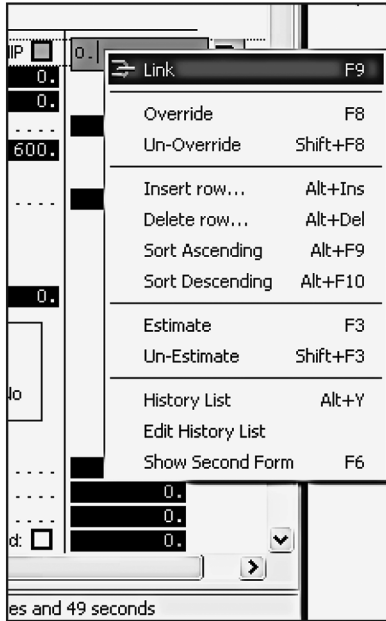
Shortcut Keys

Shortcut Keys	Description
Alt+Delete	Delete a line
Alt+Insert	Insert a line
Ctrl+A	Select All
Ctrl+Alt+W	Go to Web
Ctrl+B	Backup to Disk
Ctrl+C	Copy Entry Text
Ctrl+D	Run Return Diagnostics
Ctrl+Delete	Delete Entry Text
Ctrl+E	Go to Required Entry
Ctrl+F	Find
Ctrl+I	Apply for ITIN
Ctrl+L	Replace
Ctrl+M	Make e-files
Ctrl+N	Start a New Return
Ctrl+O	Open Return
Ctrl+P	Print This Return
Ctrl+Q	Search/Query for Taxpayer
Ctrl+R	Restore from Disk
Ctrl+T	Show Forms Tree
Ctrl+U	Change User
Ctrl+V	Paste Entry Text
Ctrl+X	Cut Entry Text
Ctrl+Y	Open Return by SSN/EIN
Ctrl+Z	Undo Entry Text
Ctrl+Page Down	Next Page/Form
Ctrl+Page Up	Previous Page/Form
Space Bar	Drop down list

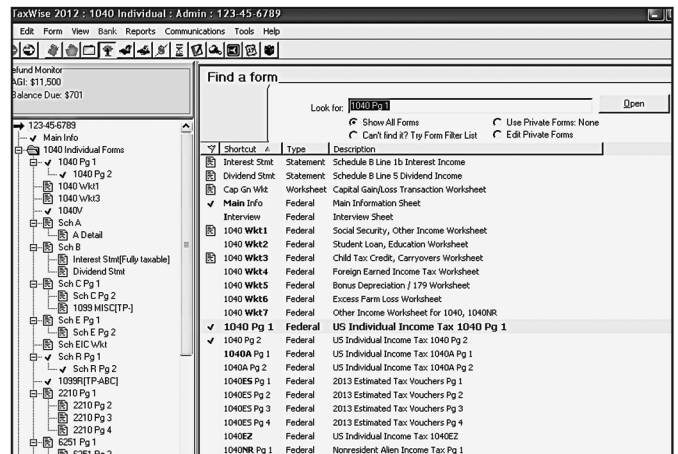
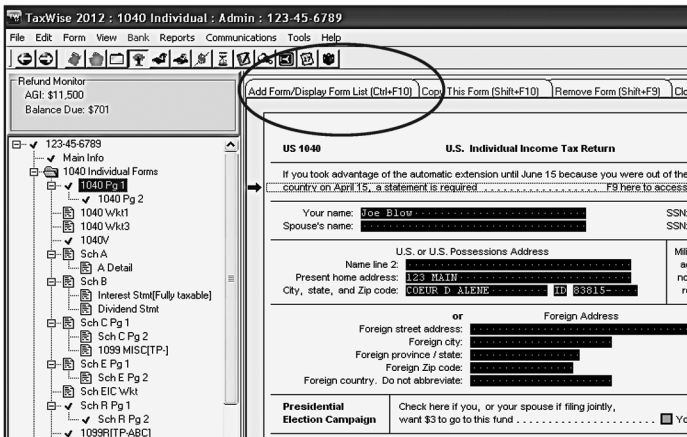
Adding Forms to a Return

There are three ways to Add a Form to the active tax return:

1. From the correct location on the parent form, link out either by pressing F9 or by right-clicking and choosing Link. Choose the form you want from the list of available forms for that location.



2. Click on the Add Form/Display Form List tab at the top of the current form. This will display a list of all available forms. Type the number or name of the form you want and press Enter.

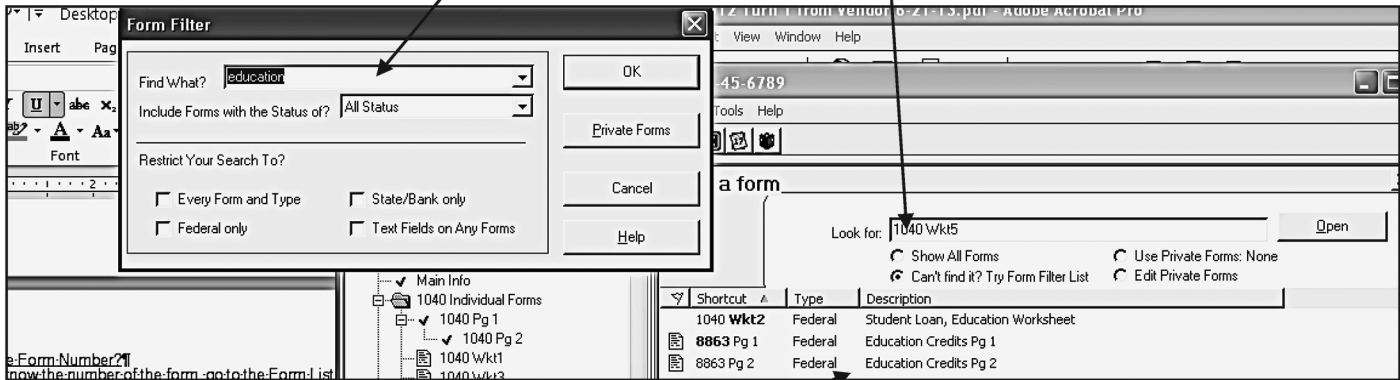


3. Press F10. This will also open the Form List so you can select the form you need.

Don't know the Form Number?

If you do not know the number of the form,

1. Go to the Form List (from the tab or F10),
2. Click on the radio button for Can't find it? Try Form Filter List
3. The Form Filter will open.
4. Enter a word from the form's title.



5. A list of forms that use that word will appear.
6. Double click on the one you want.

Additional Dependent Worksheet

If there are more than four dependents to list, enter the first four dependents on the Main Information and the remaining dependents on the Additional Dependent Statement by linking from the first dependent on page 1 of **Form 1040**.

1. Click on the first name in the list.
2. Press F9 or right-click and link to the Addl Deps worksheet

- Nondependents must be listed on the Main Information Sheet—they cannot be listed on the statement.
- Children who are qualifying children for EIC or Dependent Care must be listed on the Main Information Sheet.

Running Diagnostics and Creating an Electronic File

- Select the **Diagnostics** icon for the active return.
- Correct all e-file errors. The text will be red and generally if you click on the error, TaxWise® will take you to the error that needs correction.
- Select the **Diagnostics** icon again.
- Click on the E-file button in the middle of the screen*.

****If you are running Desktop as the front end for TWO, click on the Mark to Transfer button in the middle of the screen. Later, the Admin user will transfer this return to TWO and then create the e-file.***

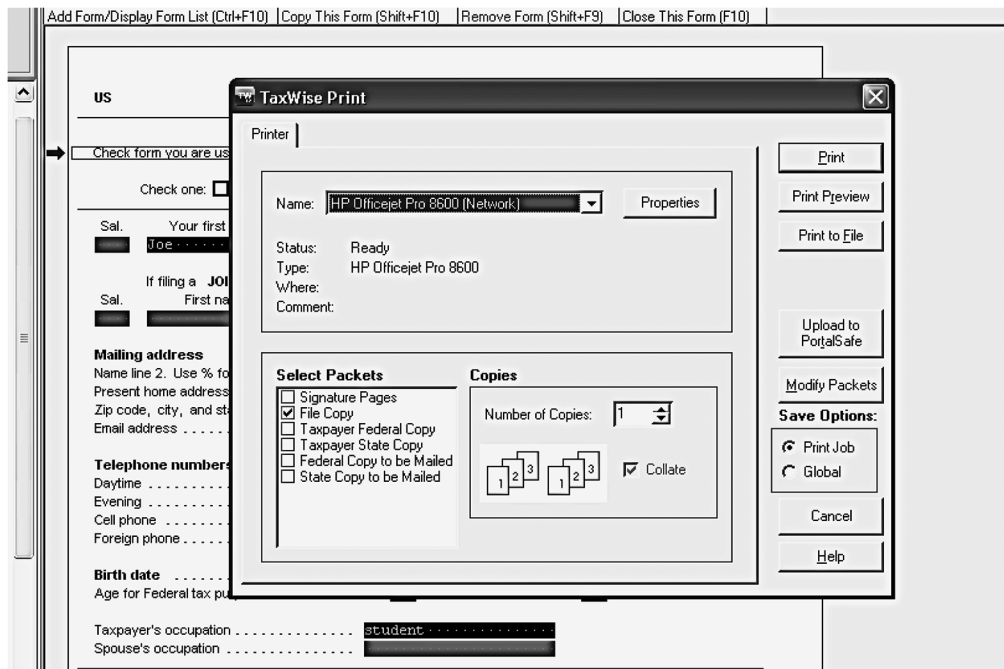
Setting the Return Stage

Setting the return stage from inside the tax return:

1. Open the return.
2. Select the **Return Stage** icon.
3. Select the appropriate stage from the drop down box. See your Site Coordinator for further information on selecting return stages.

Printing the Active Tax Return

To print a return while you have the return open, you can click the task bar's **Print Return** icon.



Check the print packets that you want, and click on Print.

Transferring Returns to TWO

1. Log on to Desktop as Admin. Select Communications, and Transfer to TaxWise® Online. A listing of all the returns that have been Marked to Transfer will appear.
2. Select the returns and click Send.
3. When the communications session has completed, go to TWO.
4. In TWO, log on as a user with administrator privileges.
5. In the lower left-hand corner, choose Select to Import. A list of the returns from Step 2 above will appear.
6. Choose the user to receive the returns, select the returns to transfer, and click Submit. Repeat for the next user.
7. If some of the returns are not on the list, there was already a copy of that return in TWO. Click on Resolve Conflicts to specify which return to keep.
8. Open each return, run diagnostics and create the e-file.

Optional Contingency Plans for Maintaining VITA/TCE Return Preparation Operations (During Unexpected Circumstances)

In the event that the following situations occur:

- Software system outages
- The Site's internet or equipment is not operating
- A Quality Reviewer is not available (see *Quality Review Only Using the Virtual Model*, below)

Partners may, at their discretion, choose among the following pre-approved options to continue preparing tax returns in lieu of closing the site for the day:

- *TaxWise Online Alternative Preparation Solution** using TaxWise Desktop
- Offer Facilitated Self Assisted** (FSA) services, if available
- Temporary Virtual VITA/TCE Process—*explained below*

*This option should be established during the Pre-Planning Phase of site operations. Refer to Publication 3189, *Volunteer e-file Administration Guide*, for more detailed information.

**This option should be established during the Pre-Planning Phase of site operations. Refer to Publication 1084 (*Site Coordinator's Handbook*) and Publication 3189 (*Volunteer e-file Administration Guide*), for more detailed information.

Temporary Virtual VITA/TCE Process

Secure Taxpayer Consent:

- The taxpayer must present proof of identity, which includes a photo identification for him/her and if applicable, their spouse.
- If the taxpayer agrees to use the virtual process for preparing their tax return, the volunteer will prepare Page 1 of the Form 14446, *Virtual VITA/TCE Site Model Taxpayer Consent*, and the taxpayer is required to complete Page 2. Taxpayer must answer "Yes" or "No" to the question regarding "Request to Quality Review Your Tax Return."
- The appropriate virtual method(s) and step-by-step procedures will be explained to the taxpayer and timeframes will be established for the taxpayer to return to the site and complete the process.

A secure process for authenticating both the taxpayer and the volunteer must be provided to the taxpayer, in the event that additional information is required to complete the tax return. Please refer to Publication 4299, *Privacy and Confidentiality--A Public Trust* for more information.

Optional Contingency Plans for Maintaining Site Operations (continued)

Intake/Interview:

The intake and interview process must be performed before the taxpayer leaves the site.

- IRS tax law certified volunteers must conduct the initial interview following all the steps outlined in Pub 5101, *Intake/Interview and Quality Review Training*.
- The volunteer will need to make notes on the Form 13614-C indicating the appropriate filing status and dependency exemptions.
 - Eligibility determinations for deductions and credits will be made and documented on the Form 13614-C.
 - All oral testimony must be thoroughly documented on the Form 13614-C for use during the return preparation at a later time.
- The verified SSN's and/or ITIN's will need to be written on the Form 13614-C for all persons that will be included on the tax return.
- A phone number where the taxpayer can be reached will be secured for use by the IRS certified tax return preparer. Refer to Publication 4299, *Privacy and Confidentiality--A Public Trust* for more information on establishing protocols to authenticate the identity of both the volunteer and the taxpayer.
- The taxpayer will leave their tax documents and the completed Form 13614-C for their tax return to be prepared once the software can be accessed and/or when a non-face-to-face quality review will be conducted.
- The taxpayer will be given a date/time to return to the site to participate in the quality review and/or sign the Form 8879, and secure a copy of their return. If a timeframe cannot be provided while the taxpayer is still onsite, the Site Coordinator will provide this information to the taxpayer as soon as a timeframe is available.

Quality Review Only Using the Virtual Model:

If the site is able to prepare the return using normal face-to-face procedures but the return is not able to be Quality Reviewed during the taxpayer's visit:

- Follow all of the procedures above in the "Secure Taxpayer Consent".
- Complete the tax return as normal.
- Explain that the taxpayer will be contacted by the Quality Reviewer.

Refer to Publication 4299, *Privacy and Confidentiality--A Public Trust* for more information.

For more detailed information on how to use a Virtual VITA/TCE process throughout the filing season refer to the Virtual VITA/TCE process located in Publications 1084, Site Coordinators Handbook and 4396-A, Partner Resource Guide.

Information for Assisting People with Disabilities

It is important to read and understand Publication 5192 *Ten Key Points for Communicating with People with Disabilities* (refer to the link below) because there are many misconceptions (often benevolent but misguided) about interacting with people with disabilities. Therefore, if one wants to show concern and respect for a person with a disability, it is worth considering the guidelines in Publication 5192.

<http://www.irs.gov/pub/irs-pdf/p5192.pdf> - Ten Key Points for Communicating with People with Disabilities

The following videos describe the taxpayer experience at free tax preparation sites and explain basic information about the return preparation process. This information is beneficial for the volunteers who serve as American Sign Language interpreters at the sites across the country and useful for anyone who wants to better understand the tax preparation process.

1. **ASL: Get Free Tax Help** – provides an introduction to the free tax preparation services available to qualified taxpayers.
2. **ASL: What to Bring at Tax Time** – focuses on the process of completing the Intake/Interview & Quality Review Sheet, and documents necessary for taxpayers to bring to VITA/TCE sites.
3. **ASL: Understanding Your Tax Return** – provides information on completing the tax form 1040 and goes through the free tax return preparation process at VITA/TCE sites.

Veterans Crisis Line

The Veterans Crisis Line connects Veterans in crisis and their families and friends with qualified, caring Department of Veterans Affairs responders through a confidential toll-free hotline, online chat, or text. Veterans and their loved ones can call 1-800-273-8255 and Press 1, chat online, or send a text message to 838255 to receive confidential support 24 hours a day, 7 days a week, 365 days a year. Support for deaf and hard of hearing individuals is available. For more information go to www.veteranscrisisline.net

IRS Taxpayer Assistance Center - Appointment Service

The IRS offers appointments at 44 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.

Identity Theft Job Aid for Volunteers

Being sensitive towards victims of identity theft is critical to assisting taxpayers through a confusing and frustrating situation. Remember victims of identity theft are:

- Victimized by identity thieves-mostly through no fault of their own, and
- Trying to comply with tax laws– file tax return and pay their fair share of taxes

Every December, the IRS Identity Protection Specialized Unit (IPSU) mails Notice CP01A to taxpayers previously identified as identity theft victims. The notice includes a 6-digit Identity Protection Personal Identification Number (IP PIN) to be entered on the tax return. Taxpayers are mailed Notice CP01A every year as long as the identity theft indicator remains on their account (usually 3 years) Use the most recent IP PIN regardless of the tax year.

When assisting taxpayers who are victims or may be victims of identity theft at VITA/TCE site:

If...	Then...
Identity Protection PIN (IP) PIN was issued to primary and/or secondary taxpayer	Ensure the IP PIN is input correctly on the tax return.
Taxpayer received an IP PIN but did not bring it with them	<ol style="list-style-type: none"> 1. Complete a tax return for the taxpayer. 2. Provide taxpayer with a complete copy of the tax return. (Provide two copies if the taxpayer will mail the tax return.) 3. Refer to Replacing Lost or Missing IP PIN below. 4. If taxpayer wants to e-file, arrange for the taxpayer to provide the IP PIN by returning to the site or via telephone.
Taxpayer received an IP PIN but misplaced or lost it	<ol style="list-style-type: none"> 1. Complete a tax return for the taxpayer. 2. Provide taxpayer with a complete copy of the tax return. (Provide two copies if the taxpayer will mail the tax return.) 3. Refer to Replacing Lost or Missing IP PIN below. 4. If the taxpayer receives original or a replacement IP PIN and wants to e-file, arrange for the taxpayer to provide the IP PIN by returning to the site or via telephone.
Taxpayer did not receive IP PIN but IRS rejected the e-filed tax return because the IP PIN was not entered.	<ol style="list-style-type: none"> 1. Refer to Replacing Lost or Missing IP PIN below. 2. Provide taxpayer with two complete copies of the tax return. 3. If the taxpayer receives the original or a replacement IP PIN and taxpayer wants to e-file, advise the taxpayer to provide the IP PIN by returning to the site or via telephone. 4. If IPSU doesn't provide the IP PIN, advise taxpayer to follow IPSU instructions in mailing the tax return. There may be processing delays as IRS verifies the taxpayer's identity.
IRS rejected the taxpayer's tax return because the taxpayer's primary/secondary SSN was previously used.	<ol style="list-style-type: none"> 1. Advise the taxpayer to contact the IPSU for assistance. If required, the IPSU will advise the taxpayer to complete Form 14039 and to mail it with their tax return to the IRS. 2. Provide the taxpayers two copies of their tax return.

Replacing a Lost or Missing IP PIN

If a taxpayer did not receive his/her new IP PIN or the taxpayer misplaced it, the taxpayer has two options:

1. A taxpayer can register and create a user profile to get his/her current IP PIN at <http://irs.gov/uac/Get-An-Identity-Protection-PIN>. The registration process will require the taxpayer to provide specific personal information and answer a series of questions to validate his/her identity.
2. Contact IPSU at 1-800-908-4490, to receive a replacement IP PIN if the taxpayer is unable or unwilling to create an account on IRS.gov. **CAUTION:** Using a replacement IP PIN will cause a delay in processing the tax return and the issuance of any refund the taxpayer may be entitled to.

Frequent Taxpayer Inquiries

Taxpayers normally ask questions during the interview process about the topics covered in this section. Visit www.irs.gov-keyword: 1040 Central or see Publication 17 for additional topics and information.

Installment Payment

Publication 594, The IRS Collection Process, explains taxpayers' rights and responsibilities regarding payment of federal taxes.

Copies of Prior-Years' Returns

Transcripts of prior-year returns may be obtained by going to <http://www.irs.gov/individuals/Get-Transcript> or by filing Form 4506-T, Request for Transcript of Tax Return. The website can be used to get prior-year information needed for this year's return.

If an actual copy is needed, taxpayer should complete Form 4506, Request for Copy of Tax Return, and mail it with the required fee to the IRS campus where the return was filed.

Amended Returns (See Other Returns Tab)

Form 1040X, 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 are not required to file an Amended Return as the corrections have already been made.

Preparation of amended returns has expanded in the VITA/TCE programs. Sites can choose to file amended returns even if they did not prepare the original 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 their tax documents until the statute of limitations runs out for the return. Usually, this is three years from the date the return was due or filed, or two years from the date the tax was paid, whichever is later. Refer taxpayers to Publication 17, Filing Information or at www.irs.gov – keyword: Recordkeeping.

FREE Tax Preparation Locations

Consult your Site Coordinator for information about the location of other VITA/TCE sites in your area. Taxpayers may call 1-800-829-1040 or visit AARP's website at www.aarp.org/taxaide or call 1-888-227-7669 for this information.

Problems Navigating the IRS

Taxpayers may contact the Taxpayer Advocate if their attempts to deal with an IRS problem are unsuccessful.

Taxpayers can visit www.irs.gov/advocate or see Publication 1546, for details on what the Taxpayer Advocate Service provides. Also suggest Publication 910, Guide to Free Tax Services.

Refund Information

Taxpayers should be directed to www.irs.gov to obtain information about their refund. Specific information is available by clicking on "Where's My Refund?"

Innocent Spouse Relief

Taxpayers who file a joint tax return are jointly and individually responsible for the tax and any interest or penalty due on the joint return even if they later divorce. In some cases, a spouse (or former spouse) will be relieved of the tax, interest, and penalties on a joint tax return. Spousal relief is granted in certain situations when a taxpayer can prove he/she is not 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 did not file joint returns, but who live in community property states, may also qualify for relief. (Out of scope for VITA/TCE prepared returns.)

Injured Spouse Relief

An injured spouse claim is different from an innocent spouse relief request. An injured spouse can request the division of tax overpayment attributed to each spouse. The injured spouse must file Form 8379, Injured Spouse Allocation, to request his or her portion of a joint refund.

Married Filing Separately

Unless required to file separately, married taxpayers may want their tax figured on a joint return and on separate returns, to make sure they are receiving the most advantageous filing status. Filing separately may be advantageous for some taxpayers in certain situations. Generally, however, married taxpayers pay more combined tax on separate returns than they would on a joint return. See Publication 17, Filing Status, for Special Rules (which outlines the disadvantages).

Social Security Numbers and Account Information

Social Security 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 www.ssa.gov. Local Social Security offices would continue to provide benefit verification letters.

Hardship Refund Request

A taxpayer's tax refund will be offset (intercepted) to pay outstanding Federal tax debts, child support, Federal non-tax 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 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 800-304-3107, TTD 866-297-0517, between 8:30 a.m. and 6 p.m. Eastern Time.

Useful Publications and Forms

Tax Publications for Individual Taxpayers

General Guides

- 1 Your Rights as a Taxpayer
- 17 Your Federal Income Tax For Individuals
- 334 Tax Guide for Small Business (For Individuals Who Use Schedule C or C-EZ)
- 509 Tax Calendars for 2015
- 910 IRS Guide to Free Tax Services

Specialized Publications

- 3 Armed Forces' Tax Guide
- 54 Tax Guide for U.S. Citizens and Resident Aliens Abroad
- 463 Travel, Entertainment, Gift, and Car Expenses
- 501 Exemptions, Standard Deduction, and Filing Information
- 502 Medical and Dental Expenses (Including the Health Coverage Tax Credit)
- 503 Child and Dependent Care Expenses
- 504 Divorced or Separated Individuals
- 505 Tax Withholding and Estimated Tax
- 514 Foreign Tax Credit for Individuals
- 516 U.S. Government Civilian Employees Stationed Abroad
- 517 Social Security and Other Information for Members of the Clergy and Religious Workers
- 519 U.S. Tax Guide for Aliens
- 521 Moving Expenses
- 523 Selling Your Home
- 524 Credit for the Elderly or the Disabled
- 525 Taxable and Nontaxable Income
- 526 Charitable Contributions
- 527 Residential Rental Property (Including Rental of Vacation Homes)

- 529 Miscellaneous Deductions
- 530 Tax Information for Homeowners
- 531 Reporting Tip Income
- 535 Business Expenses
- 544 Sales and Other Dispositions of Assets
- 550 Investment Income and Expenses (Including Capital Gains and Losses)
- 551 Basis of Assets
- 554 Tax Guide for Seniors
- 555 Community Property
- 556 Examination of Returns, Appeal Rights, and Claims for Refund
- 559 Survivors, Executors, and Administrators
- 561 Determining the Value of Donated Property
- 570 Tax Guide for Individuals With Income From U.S. Possessions
- 571 Tax-Sheltered Annuity Plans (403(b) Plans) For Employees of Public Schools and Certain Tax-Exempt Organizations
- 575 Pension and Annuity Income
- 590 Individual Retirement Arrangements (IRAs)
- 594 The IRS Collection Process
- 596 Earned Income Credit (EIC)
- 721 Tax Guide to U.S. Civil Service Retirement Benefits
- 901 U.S. Tax Treaties
- 907 Tax Highlights for Persons with Disabilities
- 915 Social Security and Equivalent Railroad Retirement Benefits

- 925 Passive Activity and At-Risk Rules
- 926 Household Employer's Tax Guide For Wages Paid in 2015
- 929 Tax Rules for Children and Dependents
- 936 Home Mortgage Interest Deduction
- 946 How To Depreciate Property
- 947 Practice Before the IRS and Power of Attorney
- 969 Health Savings Accounts and Other Tax-Favored Health Plans
- 970 Tax Benefits for Education
- 971 Innocent Spouse Relief
- 972 Child Tax Credit
- 974 Premium Tax Credit
- 1542 Per Diem Rates (For Travel Within the Continental United States)
- 1544 Reporting Cash Payments of Over \$10,000 (Received in a Trade or Business)
- 1546 Taxpayer Advocate Service – Your Voice at the IRS

Spanish Language Publications

- 1SP Derechos del Contribuyente
- 17SP El Impuesto Federal sobre los Ingresos Para Personas Físicas
- 594SP El Proceso de Cobro del IRS
- 596SP Crédito por Ingreso del Trabajo
- 850 English-Spanish Glossary of Words and Phrases Used in Publications Issued by the Internal Revenue Service
- 1544SP Informe de Pagos en Efectivo en Exceso de \$10,000 (Recibidos en una Ocupación o Negocio)

Commonly Used Tax Forms

Form Number and Title

- 1040 U.S. Individual Income Tax Return
- Sch A Itemized Deductions
- Sch B Interest and Ordinary Dividends
- Sch C Profit or Loss From Business
- Sch C-EZ Net Profit From Business
- Sch D Capital Gains and Losses
- Sch E Supplemental Income and Loss
- Sch EIC Earned Income Credit
- Sch R Credit for the Elderly or the Disabled
- Sch SE Self-Employment Tax
- 1040A U.S. Individual Income Tax Return
- 1040EZ Income Tax Return for Single and Joint Filers With No Dependents
- 1040-ES Estimated Tax for Individuals
- 1040-V Payment Voucher
- 1040X Amended U.S. Individual Income Tax Return
- 1116 Foreign Tax Credit
- 2106 Employee Business Expense
- 2106-EZ Unreimbursed Employee Business Expenses
- 2120 Multiple Support Declaration
- 2441 Child and Dependent Care Expenses
- 2848 Power of Attorney and Declaration of Representative

Form Number and Title

- 3903 Moving Expenses
- 4137 Social Security and Medicare Tax On Unreported Tip Income
- 4562 Depreciation and Amortization
- 4868 Application for Automatic Extension of Time
- 5329 Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts
- 5405 First Time Homebuyer Credit and Repayment
- 5695 Residential Energy Credits
- 8332 Release of Claim to Exemption by Custodial Parent
- 8379 Injured Spouse Allocation
- 8453 Transmittal for an IRS e-file Return
- 8812 Additional Child Tax Credit
- 8822 Change of Address
- 8863 Education Credits (American Opportunity, and Lifetime Learning Credits)
- 8879 IRS e-file Signature Authorization
- 8880 Credit for Qualified Retirement Savings Contribution
- 8949 Sales and Other Dispositions of Capital Assets
- 8962 Premium Tax Credit
- 8965 Health Coverage Exemptions
- 9465 Installment Agreement Request

**Where Do You File?**

Mail your return to the address shown below that applies to you.



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.

IF you live in...	THEN use this address if you:	
	Are not enclosing a check or money order...	Are enclosing a check or money order...
Florida, Louisiana, Mississippi, Texas	Department of the Treasury Internal Revenue Service Austin, TX 73301-0002	Internal Revenue Service P.O. Box 1214 Charlotte, NC 28201-1214
Alaska, Arizona, California, Colorado, Hawaii, Idaho, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming	Department of the Treasury Internal Revenue Service Fresno, CA 93888-0002	Internal Revenue Service P.O. Box 7704 San Francisco, CA 94120-7704
Arkansas, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Montana, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Wisconsin	Department of the Treasury Internal Revenue Service Fresno, CA 93888-0002	Internal Revenue Service P.O. Box 802501 Cincinnati, OH 45280-2501
Alabama, Georgia, Kentucky, New Jersey, North Carolina, South Carolina, Tennessee, Virginia	Department of the Treasury Internal Revenue Service Kansas City, MO 64999-0002	Internal Revenue Service P.O. Box 931000 Louisville, KY 40293-1000
Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, Missouri, New Hampshire, New York, Pennsylvania, Rhode Island, Vermont, West Virginia	Department of the Treasury Internal Revenue Service Kansas City, MO 64999-0002	Internal Revenue Service P.O. Box 37008 Hartford, CT 06176-0008
A foreign country, U.S. possession or territory*, or use an APO or FPO address, or file Form 2555, 2555-EZ, 4563, or 8891, or are a dual-status alien	Department of the Treasury Internal Revenue Service Austin, TX 73301-0215	Internal Revenue Service P.O. Box 1303 Charlotte, NC 28201-1303

*If you live in American Samoa, Puerto Rico, Guam, the U.S. Virgin Islands, or the Northern Mariana Islands, see Pub. 570.

Note: Mailing addresses for amended returns can be found in the instructions for Form 1040X.

Additional Training in TaxWise on Tax Return Preparation

At TaxWise University <https://training.cchsfs.com> you can purchase (at no cost) training curriculum that includes basic and advanced individual workshop returns. Go to <https://training.cchsfs.com> and look to the right side; there is a link to a PDF User Guide. The guide describes all how to set up users, purchase courses, assign courses, and take courses.

The individual workshop returns are located at the free training section and can be assigned to students. You also have the option of downloading the returns to your computer and using the tax scenarios for processed based training classes.

If you have a problem accessing the returns, you can contact your relationship manager, chat with a customer service representative or email customer.education@cchsfs.com for assistance.

Where's My Refund - It's Quick, Easy and Secure.



Available on irs.gov

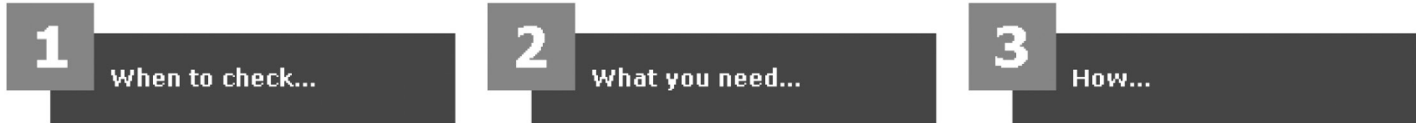
[En Español](#)



You can generally expect the IRS to issue your refund in less than 21 calendar days after we receive your tax return.

Use this tool to check on the status of your refund. It provides the most up-to-date information the IRS has. There's no need to call us unless Where's My Refund? tells you to do so. Where's My Refund? is updated every 24 hours – usually overnight – so you only need to check once a day.

How to Use Where's My Refund?



- Within 24 hours after we've received your e-filed tax return
- 4 weeks after you mail your paper return

- Social Security Number
- Filing status
- Exact refund amount

- Get your [refund status at...](#)



Interactive Tax Assistant (ITA)

Available on irs.gov and TaxWise Solution Center.

The ITA tool is a tax law resource that takes you through a series of questions and provides you with responses to a limited number of tax law questions.

- Simply answer the questions and click the "Continue Button" 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/Change Button" allows you to adjust responses to previously asked questions.
- When you reach the response screen, you have the option to print the entire interview and the final response.

ITA Topics by Category		
<ul style="list-style-type: none">• Affordable Care Act• Credits	<ul style="list-style-type: none">• Income	<ul style="list-style-type: none">• Deductions• General Filing Questions
For additional information on tax law resource tools refer to the links below.		
http://www.irs.gov/Individuals/Tax-Trails---Main-Menu		
http://www.irs.gov/taxtopics/		

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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 <http://www.irs.gov/uac/Your-Civil-Rights-Are-Protected> for reasonable accommodation.

If a taxpayer believes that he or she has been discriminated against, a written complaint should be sent to:

Operations Director, Civil Rights Division
Internal Revenue Service Room 2413
1111 Constitution Avenue, NW
Washington DC 20224

Email edi.civil.rights.division@irs.gov

Do not send tax returns, payments or other non-civil rights information to this address.

Low Income Tax Clinics

Low Income Taxpayer Clinics (LITCs) represent low income individuals in disputes with the Internal Revenue Service, including audits, appeals, collection matters, and federal tax litigation. LITCs can also help taxpayers respond to IRS notices and correct account problems. Some LITCs provide education for low income taxpayers and taxpayers who speak English as a second language (ESL) about their taxpayer rights and responsibilities.

LITC services are free or low cost for eligible taxpayers. LITCs are independent from the IRS but receive some of their funding from the IRS through the LITC grant program. Each clinic determines whether prospective clients meet income guidelines and other criteria before agreeing to represent them.

Find a clinic near you on the [LITC Map](#) or IRS [Publication 4134, Low Income Taxpayer Clinic List](#). This publication is also available at www.irs.gov/orderforms or at your local IRS office.

Contact Information for Volunteers

TaxWise	
TaxWise Volunteer Support	1-800-411-6391(do not give to the public)
TaxWise via E-Mail	customer.support@taxwise.com

Tax Year Website
2014 https://twonline.taxwise.com/14
2013 https://twonline.taxwise.com/13
2012 https://twonline.taxwise.com/12
2011 https://twonline.taxwise.com/11

Internal Revenue Service	
VITA/TCE Hotline (for volunteer use only)	1-800-829-8482 (800-TAX-VITA)
IRS SPEC Territory Office	
Enterprise Service Desk (Help Desk)	1-866-7HELP4U (1-866-743-5748)
IRS e-file Help Desk	1-866-255-0654
Identity Theft	1-800-908-4490
VolTax	wi.voltax@irs.gov
Volunteer Tax Alerts	http://www.irs.gov/Individuals/Quality-and-Tax--Alerts-for-IRS-Volunteer-Programs

State Department of Revenue
State Volunteer Hotline
State e-file Help Desk
State General Information
State Website
Partner Point of Contact

Contact Information for Taxpayers	
IRS Tax-Help	www.irs.gov
Where's My Refund Website	www.irs.gov/refunds
IRS Forms and Publications	www.irs.gov/orderforms
IRS Taxpayer Advocate	www.irs.gov/advocate
IRS Tax-Help for Deaf (TDD)	1-800-829-4059
Social Security Administration	www.ssa.gov/
Refund Offset Inquiry (Financial Management System)	1-800-304-3107