



4012

VITA/TCE Volunteer Resource Guide **2013 RETURNS**

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



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. To access this publication, in the upper right hand corner of www.irs.gov, type in “Pub 4491X” in the search field.

During the tax season Volunteer Tax Alerts will be issued periodically. Type “volunteer alerts”, in the search field to access all tax alerts.

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 the form.

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

1. Follow the Quality Site Requirements (QSR).
2. Not accept payment or solicit donations 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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DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
ATLANTA, GA 30308

WAGE AND INVESTMENT DIVISION

Greetings Volunteers!

I would like to say "thank you" for agreeing to volunteer and support the Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) programs. Although the delayed start of the filing season was a challenge for millions of taxpayers, VITA and TCE volunteers overcame this and prepared more than 3.4 million returns with a 91% accuracy rate.

For the 2014 Filing Season, quality of returns at VITA and TCE sites remains a top priority. We will continue to place emphasis on the Quality Site Requirements and Volunteer Standards of Conduct (VSC). It is important for volunteers to consistently follow the processes we have in place to prepare an accurate return. For that reason, the VSC will include training and certification on the Intake/Interview and Quality Review processes. All volunteers (including greeters) must certify to the revised VSC before participating in our program. Immediately following this letter is the July 2013 "Fact Sheet" on quality changes for you to refer to throughout the filing season.

I am excited about the changes we have made to the volunteer certification paths to ease the time burden placed on you through mandatory training and testing. The volunteer certification paths have been reduced from three to two (Basic and Advanced). The former Intermediate topics are now incorporated in either the Basic or Advanced training. Keep in mind Basic and Advanced are stand-alone tests with approximately 30-40 questions each. The courses are not linked to each other which mean the volunteer does not have to take the Basic course before taking the Advanced course.

Finally, our training products will provide the necessary tools for delivering a successful 2014 filing season. Electronic files of training products will be accessible on IRS.gov. A CD-Rom of all VITA/TCE training material will also be available to volunteers. All publications (whether on CD or IRS.gov) include a table of contents as well as bookmarking and hyperlink features to assist volunteers in quickly locating content. It is important to note that Publication 4491, *VITA/TCE Training Guide*, and Publication 4491-W, *VITA/TCE Problems and Exercises*, are evergreen products which will be updated every 2-3 years. Volunteers are encouraged to obtain copies of both products this year. The number of printed copies will decrease significantly in the future and will only be available for new volunteers. Please consult Publication 4491-X, *VITA/TCE Training Supplement*, for updates to both publications.

With your help, I am more than confident we will achieve another successful filing season. I welcome your suggestions for improving the volunteer and taxpayer experience. 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 and thanks for your dedication to the VITA/TCE programs.

Sincerely,

A handwritten signature in black ink that reads "Verlinda Paul". The signature is written in a cursive style with a large initial "V".

Verlinda Paul
Director, Stakeholder Partnerships,
Education & Communication

FACT SHEET – For Partners and Employees

Quality Updates for 2014 Filing Season



September 2013

Key Messages

- SPEC Shopping reviewers observed volunteers not following the Intake and Interview process.
- Review results indicate there is a correlation between performing a complete Intake/Interview & Quality Review Process and preparing accurate returns.
- All Volunteers are required to take awareness training on the Intake/Interview & Quality Review Process.
- Awareness training on the Intake/Interview & Quality Review process training is embedded in Volunteer Standards of Conduct Training.
- Instructors, tax return preparers, Quality Reviewers, and Site Coordinators are required to take mandatory in-depth training on the Intake/Interview & Quality Review process.
- Volunteers are required to wear name badges with their first name and, at a minimum, the first initial of their last name.
- Quality reviewers must certify (at a minimum) to the Basic or Advanced certification levels.
- Instructors must certify (at a minimum) to the Advanced certification level.
- Quality reviewers should be one of the most experienced volunteers in tax law application.
- Form 13614-C was removed from TaxWise.
- Schedule C Pilot extended one more year.

This document summarizes the findings from oversight reviews and quality updates for the 2014 Filing Season.

Background:

The results of SPEC oversight reviews continue to show there is a correlation between performing a complete Intake/Interview & Quality Review Process and the preparation of an accurate tax return.

During SPEC shopping reviews, SPEC shoppers often observed volunteers preparing tax returns without having a discussion with the taxpayer or reviewing the Form 13614-C, Intake/Interview & Quality Review Sheet. **As a result, volunteer adherence to use of the Intake and Interview Process was 56%, with a return accuracy rate of only 49%.**

Quality Statistical Sample (QSS) reviewers observed volunteers reviewing and completing the Form 13614-C and conducting interviews with the taxpayers on a consistent basis. **As a result, volunteer adherence to use of the Intake and Interview Process was 84%, with a return accuracy rate of 91%.**

Oversight reviews also found that volunteers/sites are not consistently:

- Requesting photo identification for taxpayers and/or their spouses, Requiring proper verification of tax identification numbers for everyone listed on the tax return,
- Advising taxpayers of their responsibility for the information reported on their tax return (due diligence), and
- Displaying Title VI posters (Publication 4053 or AARP D-143).

Based on our review and assessment of the filing season, SPEC implemented the following updates to make sure we have adequate procedures in place to prepare accurate returns for taxpayers:

Quality Site Requirement (QSR) Updates

QSR #1 – Certification

- Site Coordinators are required to have a process that determines the certification level for every volunteer at the site. AARP badges and IRS wallet cards are no longer valid as proof of certification. **Why:** To ensure every volunteer is preparing or quality reviewing returns within their certification level.
- Partners are required to report all volunteers to SPEC on Form 13206, *Volunteer Assistance Summary Report*, or a similar listing containing the same information by February 3rd and the 3rd business day of each month as new volunteers report to the site. **Why:** As our volunteer base increases, the difficulty of

obtaining an accurate volunteer count for each site increases. To ensure SPEC territories received accurate volunteer counts, partners are required to provide the data they received from their site coordinators. The new electronic Form 13206 allows partners to add unlimited volunteers to their form. Partners still have the option to submit a partner created listing if the listing contains the same information shown on Form 13206.

- Domestic Military sites will be treated as a partner; this means relationship managers will continue to secure this information from the site using Form 13206 or similar list containing the same information. The site's relationship manager will enter the number of volunteers into SPECTRM. Overseas Military sites will continue to report their volunteer data to their national relationship manager. **Why:** The process used last year did not work and caused inaccurate volunteer data for the military and additional re-work to determine an accurate count.

QSR #2 – Intake and Interview Process

- **All volunteers** are required to take annual awareness training on the Intake/Interview & Quality Review Process. The training and certification test questions are embedded in Form 6744, *Volunteer Assistors Test/Retest*, and Publication 4961, *Volunteer Standards of Conduct – Ethics*, and Link & Learn Taxes.
- In addition, a PowerPoint presentation is being developed to provide a more detailed **mandatory training module for certified preparers, quality reviewers, instructors, and site coordinators.** **Why:** For the past few years, volunteers were either not following the required process or not using Form 13614-C as they prepared tax returns and performed quality reviews.
- Form 13614-C will be created in nine foreign languages including Spanish, Chinese, Chinese Traditional, Creole, Korean, Polish, Tagalog, Portuguese and Vietnamese. **Why:** To comply with reasonable accommodations, we wanted to ensure various taxpayers understand what we are asking. Other than English and Spanish, these foreign language forms will only be available electronically on www.irs.gov.

QSR #3 – Quality Review Process

- Quality reviewers must certify, at a minimum, to the Basic certification level or higher (including the specialty levels) based on the complexity of the tax return. SPEC encourages the quality reviewer to be the most experienced person in tax law application.

QSR #5 – Volunteer Agreement

- Form 13615, *Volunteer Standards of Conduct Agreement*, was updated to capture information for issuing Continuing Education (CE) credits for Enrolled Agents and other tax return preparers. **Why:** Last year, volunteers, partners, and the recipients did not understand the policy for issuing CE credits or the process for reporting CE credits to the Return Preparer Office (RPO). The new procedures will simplify this process. Form 13615 was updated to assist with obtaining the necessary information to report CE credits to the RPO.

QSR #7 – Title VI

- All sites are required to display Publication 4053/4053 (EN/SP), *Your Civil Rights are Protected Poster*, or the AARP D-143 Poster at the first point of contact between the volunteer and the taxpayer. **Why:** Based on Civil Rights Division visits, Form 13614-C and the AARP and IRS envelopes no longer satisfy this requirement.

QSR #10 – Security, Privacy and Confidentiality

• Volunteers must wear a name badge with their first name and (at a minimum) the first initial of their last name. **Why:** Identity theft is on the rise. This requirement is SPEC's corrective action for creating security procedures for identity theft deterrence. In addition, having just the first name and first letter of the last name also protects the volunteer.

- Form 14509, *Volunteer ID Card*, is an optional product developed for volunteers to identify themselves to taxpayers they assist. Form 14509 is evergreen and can be used every year unless the volunteer's name or certification level changes.
- In addition, there will be a one-time purchase of plastic holders, which will allow volunteers to wear their name badge around their neck. The product number for these ID holders is Document 13123, *Volunteer ID Holder*. The holders must be

ordered separately from the volunteer ID cards but should not be ordered as holders for other products.

- Volunteers are required to request photo ID from every taxpayer. **Why:** This consistent requirement deters identity theft and eliminates the perception of preferential treatment. This will eliminate complaints from taxpayers who are asked to show their ID while others are not. Exceptions for requiring photo ID should only be made by the site coordinator under extreme circumstances and should not be the common practice. For example, there may be limited situations where an exception may apply to a person with a disability, the elderly, or someone with some other unique circumstance.
- Volunteers are required to request verification of social security or tax identification numbers from everyone listed on the tax return. **Why:** Return rejects continue to include social security numbers and name mismatches. In addition, validating the taxpayers' identification number reduces identity theft. Volunteers can validate social security numbers by using various documents issued from the Social Security Administration. This includes social security cards, social security letters, social security income statements and other documents issued from SSA. Medicare cards with the letter "A" after the social security number can also be used. For more information, please refer to Publication 4299, *Security, Confidentiality, and the Standards of Conduct*.

Other Updates:

- The methodology for measuring a site's adherence to the ten Quality Site Requirements will be updated to provide ten percentage points for each correctly followed QSR. **Why:** In previous years, site reviews were rated as either "met" or "not met". If one or more QSR was not followed, the site was rated as "not met". This also allows us to evaluate overall adherence to the QSR against the accuracy rate.
- Form 13614-C will be removed from TaxWise. **Why:** Based on partner and employee feedback, this form is not productive in TaxWise; therefore, most sites are not using it.
- The Schedule C, *Profit or Loss From Business (Sole Proprietorship)*, business expenses have increased from \$5,000 to \$10,000 for all sites. **Why:** This reflects the assistance needed by taxpayers at volunteer sites based on partner feedback.
- The Schedule C pilot was extended for one more year. This pilot allows approved sites to prepare Schedule C returns with business expenses up to 25,000. In addition, these pilots can prepare Schedule C returns with limited business use of the home, business losses, and depreciation.

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, Health Savings Accounts, or Cancellation of Debt.

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. 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. 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.

Form 1040 Line #	Description	Information Reporting Document	 Basic	 Advanced
Filing Status			See Note 1	See Note 1
1	Single		✓	✓
2	Married filing jointly		✓	✓
3	Married filing separately		✓	✓
4	Head of household		✓	✓
5	Qualifying widow(er)		✓	✓
Exemptions				
6a - d	Exemptions		✓	✓
Income			See Note 2	See Note 2
7	Wages, salaries, tips, etc.	W-2	✓	✓
8a - b	Taxable interest, tax-exempt interest	1099-INT, Sch K-1	✓	✓
9a - b	Ordinary dividends, qualified dividends	1099-DIV, Sch K-1	✓	✓
10	Taxable refunds, etc	1099-G	✓	✓
11	Alimony received		✓	✓
12	Business income or (loss)	1099-MISC, Box 7		✓ See Note 3
13	Capital gain or (loss)	1099-B		✓
15a - b	IRA distributions, taxable amount	1099-R	✓ See Note 4	✓
16a - b	Pensions and annuities, taxable amount	1099-R, RRB 1099-R	✓ See Note 4	✓
17	Rental real estate (Military certification only)	1099-MISC		
17	Royalties	Sch K-1		✓
19	Unemployment compensation	1099-G	✓	✓
20a - b	Social Security benefits, taxable amount	SSA-1099, RRB-1099	✓	✓
21	Other income - varies	1099-MISC, Box 3	✓ See Note 5	✓ See Note 5
Adjusted Gross Income				
23	Educator expenses		✓	✓
24	Certain business expenses of reservists (Military certification only)			
25	Health savings account deduction (HSA certification only)	5498-SA, 1099-SA, W-2	✓ See Note 5	



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

Note 4 • Limitation: If taxable amount has been determined

Note 5 • Limitation: HSA certification only (requires Basic certification or higher) – HSA Distributions
 • Limitation: COD certification only (requires Advanced certification) – Cancellation of debt
 • Limitation: International certification only – Foreign earned income exclusion



Form 1040 Line #	Description	Information Reporting Document	 Basic	 Advanced
26	Moving expenses (Military certification only)			
27	Deductible part of self-employment tax			✓
30	Penalty on early withdrawal of savings	1099-INT	✓	✓
31a - b	Alimony paid, recipient's SSN		✓	✓
32	IRA deduction	1099-R		✓
33	Student loan interest deduction	1098-E	✓	✓
34	Tuition and fees adjustment		✓	✓
Tax and Credits				
39a	Check if: blind/born <1/2/1949 Total boxes checked		✓	✓
39b	If your spouse itemizes on a separate return		✓	✓
40	Standard deduction		✓	✓
40	Itemized deductions		✓	✓
42-44	Exemptions, Taxable income, Tax		✓	✓
47	Foreign tax credit	1099-INT or 1099-DIV	✓ See Note 6	✓ See Note 6
48	Credit for child and dependent care expenses	W-2 and/or Provider Statement	✓	✓
49	Education credits	1098-T	✓	✓
50	Retirement savings contributions credit	W-2 Box 12	✓	✓
51	Child tax credit		✓	✓
52	Residential energy credit			✓ See Note 7
53	Credit for the elderly or the disabled		✓	✓
Other Taxes				
56	Self-employment tax			✓
57a	Unreported social security and Medicare tax from Form 4137 only			✓
58	Additional tax on IRAs, other qualified retirement plans, etc.	1099-R	✓ See Note 8	✓ See Note 8
59b	First time homebuyer credit repayment			✓
Payments				
62	Federal income tax withheld from	W-2 and 1099	✓	✓
63	2013 estimated tax payments and amount applied from 2012		✓	✓
64a	Earned income credit (EIC)		✓	✓
64b	Nontaxable combat pay election (Military certification only)	W-2, box 12 code Q		
65	Additional child tax credit		✓	✓
66	American opportunity credit	1098-T	✓	✓

Note 6 • Limitation: International certification only if Form 1116 needed

Note 7 • Limitation: Form 5695, Part II, Nonbusiness Energy Property Credit is in scope. Part I is out of scope.

Note 8 • Basic certification: automatic calculation only

• Advanced certification or higher: to remove addition to tax

Form 1040 Line #	Description	Information Reporting Document	 Basic	 Advanced
67	Reserved			
68	Amount paid with request for extension		✓	✓
69	Excess social security and tier 1 RRTA	SSA-1099, RRB-1099	✓	✓
Refund				
73	Amount overpaid		✓	✓
74a-d	Bank account information		✓	✓
75	Amount you want applied to 2014 estimated tax		✓	✓
Amount You Owe				
76	Amount you owe		✓	✓
	Third Party Designee		✓	✓
	Identity Protection PIN section		✓	✓

Important Tax Law Changes for 2013

Due Date of Return

The due date for the US Individual Income Tax Return for Tax Year 2013 is April 15, 2014.

Income Limits Increased for Excluding Education Savings Bond Interest

For 2013, the amount of the interest exclusion is phased out for Married Filing Jointly taxpayers or Qualifying Widow(er) taxpayers whose modified AGI is between \$112,050 and \$142,050. If the modified AGI is \$142,050 or more, no deduction is allowed. For Single and Head of Household filing statuses, the interest exclusion is phased out for taxpayers whose modified AGI is between \$74,700 and \$89,700. If the modified AGI is \$89,700 or more, no deduction is allowed.

Standard Deduction Increases

The standard deduction for taxpayers who do not itemize deductions on Schedule A (Form 1040) has increased. The standard deduction amounts for 2013 are:

- \$12,200 – Married Filing Jointly or Qualifying Widow(er)
- \$8,950 – Head of Household
- \$6,100 – Single or Married Filing Separately

Taxpayers who are 65 and Older or are Blind

For 2013, the standard deduction for these taxpayers increased:

- \$1,200 – Married Filing Jointly, Married Filing Separately, or Qualifying Widow(er)
- \$1,500 – Single or Head of Household

Expiration of Temporary Decrease in Employee's Share of Payroll Tax

For 2013, social security tax is withheld from an employee's wages at the rate of 6.2% up to the social security wage limit of \$113,700. There is no change to Medicare withholding.

The same change applies to net earnings from self-employment – the rate returns to 12.4% up to the social security wage limit of \$113,700.

Exemption Amount

The amount a taxpayer can deduct for each exemption increased to \$3,900 for 2013.

Retirement Savings Contribution Credit Income Limits Increased

In order to claim this credit, your MAGI must not be more than \$29,500 (\$59,000 if Married Filing Jointly; \$44,250 if Head of Household).

Earned Income Credit (EIC)

Amount of Credit Increased

For 2013, the maximum credit is:

- \$6,044 with three or more qualifying children
- \$5,372 with two qualifying children
- \$3,250 with one qualifying child
- \$487 with no qualifying child

Earned Income Amount Increased

To be eligible for a full or partial credit, the taxpayer must have earned income of at least \$1 but less than:

- \$46,227 (\$51,567 if Married Filing Jointly) with three or more qualifying children

- \$43,038 (\$48,378 if Married Filing Jointly) with two qualifying children
- \$37,870 (\$43,210 if Married Filing Jointly) with one qualifying child
- \$14,340 (\$19,680 if Married Filing Jointly) with no qualifying child

Investment Income

Taxpayers whose investment income is more than \$3,300 cannot claim the EIC.

Standard Mileage Rate

For 2013, the following rates are in effect:

- 56.5 cents per mile for business miles driven
- 24 cents per mile driven for medical or moving purposes
- 14 cents per mile driven in service of charitable organizations

Deduction Amount and Modified AGI Limit for Traditional IRA Contributions Increased

For 2013, the maximum IRA deduction increases to \$5,500 (\$6,500 if age 50 or older). If a taxpayer is covered by a retirement plan at work, the deduction for contributions to a traditional IRA is reduced (phased out) if the modified AGI is:

- More than \$95,000 but less than \$115,000 for a married couple filing a joint return or a qualifying widow(er),
- More than \$59,000 but less than \$69,000 for a single individual or head of household, or
- Less than \$10,000 for a married individual filing a separate return

If only one spouse is covered by a retirement plan at work, and the taxpayers live together or file a joint return, the deduction is phased out if the modified AGI is more than \$178,000 but less than \$188,000. If the modified AGI is \$188,000 or more, no deduction for contributions to a traditional IRA is allowed.

Deductible Long-Term Care Premium Limits Increased

For 2013, the maximum amount of qualified long-term care premiums includible as medical expenses has increased. Qualified long-term care premiums up to the amounts shown below can be included as medical expenses on Schedule A (Form 1040) Itemized Deductions.

- \$360: age 40 or under
- \$680: age 41 to 50
- \$1,360: age 51 to 60
- \$3,640: age 61 to 70
- \$4,550: age 71 and over

Lifetime Learning Credit Income Limits Increased

The MAGI threshold at which the lifetime learning credit begins to phase out is \$53,000 (\$107,000 for Married Filing Jointly). To claim the credit, the taxpayer's MAGI must be less than \$63,000 (\$127,000 for Married Filing Jointly).

Additional Medicare Tax

Additional Medicare tax applies to an individual's wages, Railroad Retirement Tax Act compensation, and self-employment income that exceeds a threshold amount based on the individual's filing status. This topic is out of scope for the VITA/TCE program. Taxpayers affected by the additional Medicare tax should be referred to a professional tax preparer. Additional information can be found on www.irs.gov.

Itemized Deductions

Taxpayers can deduct only the amount of unreimbursed medical and dental expenses that exceeds 10% of their Adjusted Gross Income (AGI). If the taxpayer or their spouse is aged 65 or over, they will use the 7.5% threshold of AGI. This applies to any tax year beginning after December 31, 2012, and ending before January 1, 2017.

Tax Forms and Schedules

Schedule D

Line 1 has been divided into lines 1a and 1b to report certain transactions directly on Form 1040, Schedule D without filing Form 8949 and to provide a report of each transaction. Line 1a may be used to report the totals from short-term transactions reported on Form 1099-B for which:

- Basis was reported to the IRS
- There are no adjustments and no codes

Line 8 has been divided into lines 8a and 8b. Lines 8a through 10 have been revised to reference Boxes D, E, and F of Form 8949 (instead of Boxes A, B, and C, respectively). A corresponding change has been made to Form 8949.

Schedule D Tax Worksheet

New lines 24 through 32 were added to the worksheet to compute the amount subject to a 20% maximum capital gains rate.

Foreign Earned Income and Housing Exclusions

For 2013, the maximum Foreign Earned Income Exclusion increased to \$97,600. The base housing amount increased to \$42.78 per day or \$15,616 for the entire calendar year.

Extended Provisions

The American Taxpayer Relief Act of 2012 (passed January 1, 2013) temporarily extended the provisions listed below. The sunset for these provisions is December 31, 2013.

- Above-the-line deduction of up to \$250 for teacher classroom expenses
- Discharge of indebtedness on principal residence excluded from gross income of individuals
- Premiums for mortgage insurance deductible as interest that is qualified residence interest
- Deduction for state and local general sales taxes
- Deduction for qualified tuition and related expenses
- Extension and modification of section 25C nonbusiness energy property
- Tax-free distributions from IRAs to certain public charities for individuals age 70-1/2 or older, not to exceed \$100,000 per taxpayer per year; special transition rules for certain distributions made in December 2012 and January 2013

Link & Learn Taxes – Optional Courses

Health Savings Account (HSA) Deduction

The annual limit on deductions for HSAs has been increased to \$3,250 for self-only coverage and \$6,450 for family coverage.

Form 13614-C Job Aid for Volunteers

Name as shown on Social Security records; see Pub 4012, Page C-16 for information about hyphenated or double names	Current address where taxpayer will receive refund and/or other correspondence about the return	Photo ID's must be viewed for each taxpayer and spouse (if filing a Joint Return).	Refer to P 4012 Tab P for information on how to assist a taxpayer who is a victim of Identity Theft	This section must be completed by the Certified Volunteer Preparer during the Interview Process for each listed person.	Refer to Pub 17, for definition of Legally Blind, Totally and Permanently Disabled; and Full Time Student	If no, use Pub 4012, Page L-1 Determining Residency Status Decision Tree to verify that taxpayer and/or spouse meet requirements to be U.S. residents for tax purposes.
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Form **13614-C** (October 2013) Department of the Treasury - Internal Revenue Service **Intake/Interview & Quality Review Sheet** OMB Number 1545-1964

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

• Please complete pages 1-2 of this form.
 • You are responsible for the information on your return. Please provide complete and accurate information.
 • If you have questions, please ask the IRS certified volunteer preparer.

Part I - Your Personal Information

1. Your first name M.I. Last name Are you a U.S. citizen? Yes No

2. Your spouse's first name M.I. Last name Is your spouse a U.S. citizen? Yes No

3. Mailing address Apt # City State ZIP code

4. Contact information Telephone number(s) Email address

5. Your Date of Birth 6. Your job title 7. Last year, were you: a. Full time student Yes No
 b. Totally and permanently disabled Yes No c. Legally blind Yes No

8. Your spouse's Date of Birth 9. Your spouse's job title 10. Last year, was your spouse: a. Full time student Yes No
 b. Totally and permanently disabled Yes No c. Legally blind Yes No

11. Can anyone claim you or your spouse on their tax return? Yes No Unsure

12. Have you or your spouse: a. Been a victim of identity theft? Yes No b. Adopted a child? Yes No

Part II - Marital Status and Household Information

1. As of December 31 of last year, were you: Single Married Divorced or Legally Separated Widowed

Did you live with your spouse during any part of the last six months of 2013? Yes No

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

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

If additional space is needed check here and list on page 4

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 12/31/13 (SM)	Full-time Student last year (yes/no)	Totally and Permanently Disabled (yes/no)	Can this person be claimed by someone else as a dependent on their return? (yes/no)	Did this person provide more than 50% of their own support? (yes/no)	Did this person have more than \$3900 of income? (yes/no)	Did the taxpayer(s) provide more than 50% of support for this person? (yes/no)	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 vi.voltax@irs.gov or call toll free 1-877-330-1205

Catalog Number 52121E www.irs.gov Form **13614-C** (Rev. 10-2013)

Taxpayer must include everyone who lived with the taxpayer and anyone the taxpayer supported who lived elsewhere. This information should always be confirmed during the interview process, especially if the taxpayer did not list anyone.	Verify date each person was born if the person will be included on the tax return. Note: Incorrect birth dates may result in rejection of e-file.	Verbally confirm the number of months each person listed lived in the taxpayers' home.	If not a US citizen, determine residency for tax purposes. See Pub 4012, Page L-1 Determining Residency Status Decision Tree.	See Pub 4012, Tab B-1 Interview Tips for definition of marriage recognized by the federal government for tax purposes.	Use Pub 4012, TAB C Interview Tips to verify dependency status of taxpayer and spouse.	Review page 4 to see if taxpayer has provided additional information. 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 Pub 4012 Tabs B and C to make your determinations.

Important Reminder: Do not refer taxpayers to the voltax email address or phone number for IRS help or refund information. Refer to the back cover of Pub 4012 for appropriate IRS phone numbers.

Important Reminder: During the interview explain and assist taxpayers with any items marked “Unsure” and mark them “Yes” or “No”. Correct any taxpayer answers that do not correctly reflect all information established during interview of the taxpayer.

Page 2

Yes	No	Unsure	Check appropriate box for each question in each section
			Part III – Last Year, Did You (or Your Spouse) Receive
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. (B) Wages or Salary? (Form W-2) If yes, how many jobs did you have last year? _____
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2. (A) Tip Income?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3. (B) Scholarships? (Forms W-2, 1098-T)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4. (B) Interest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5. (B) Refund of state/local income taxes? (Form 1099-G)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6. (B) Alimony income?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. (A) Self-Employment income? (Form 1099-MISC, cash)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. (A) Cash/check payments for any work performed not reported on Forms W-2 or 1099?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. (A) Income (or loss) from the sale of Stocks, Bonds or Real Estate? (including your home) (Forms 1099-B)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10. (B) Disability income? (such as payments from insurance, or workers compensation) (Forms 1099-B)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11. (A) Distribution from Pensions, Annuities, and/or IRA? (Form 1099-R)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12. (B) Unemployment compensation? (Form 1099-G)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13. (B) Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14. (M) Income (or loss) from Rental Property?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15. (B) Other income? (gambling, lottery, prizes, awards, jury duty, Sch K-1, etc.) (Forms W-2G) Specify _____
			Part IV – Expenses – Last Year, Did You (or Your Spouse) Pay
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. (B) Alimony? If yes, do you have the recipient's SSN? <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2. Contributions to a retirement account? _____ IRA (A) _____ Roth IRA (B) _____ 401K (B)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3. (B) Post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4. (B) Unreimbursed employee business expenses? (such as uniforms or mileage)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5. (B) Medical expenses? (including health insurance premiums)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6. (B) Home mortgage interest? (Form 1098)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. (B) Real estate taxes for your home or personal property taxes for your vehicle? (Form 1098)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. (B) Charitable contributions?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. (B) Child or dependent care expenses such as daycare?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10. (B) For supplies used as an eligible educator such as a teacher, teacher's aide, counselor, etc.?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11. (A) Expenses related to self-employment income or any other income you received?
			Part V – Events – Last Year, Did You (or Your Spouse)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. (HSA) Have a Health Savings Account? (Forms 5498-SA, 1099-SA, W-2 with code W in box 12)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2. (COD) Have debt from a mortgage or credit card cancelled/forgiven by a commercial lender? (Form 1099-A)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3. (A) Buy, sell or have a foreclosure (COD) of your home? (Form 1099-A)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4. (B) Have Earned Income Credit (EIC) disallowed in a prior year? If yes, for which tax year? _____
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5. (A) Purchase and install energy-efficient home items? (such as windows, furnace, insulation, etc.)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6. (B) Live in an area that was affected by a natural disaster? If yes, where? _____
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. (A) Receive the First Time Homebuyers Credit in 2008?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. (B) Pay any student loan interest? (Form 1098-E)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. (B) Make estimated tax payments or apply last year's refund to this year's tax? If so how much? _____
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10. (A) File a federal return last year containing a "capital loss carryover" on Form 1040 Schedule D?
			Additional Information and Questions Related to the Preparation of Your Return
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Section 501(c)(29) Campaign Fund (If you check a box, your tax or refund will not change) If you, or your spouse if filing jointly, want \$3 to go to this fund <input type="checkbox"/> You <input type="checkbox"/> Spouse
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If you are a refund, would you like _____
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Direct deposit <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	To purchase U.S. Savings Bonds <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	To split your refund between different _____ <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If you have a balance due, would you like to make a payment directly from your bank account? <input type="checkbox"/> Yes <input type="checkbox"/> No
			Many free tax preparation sites operate by receiving grant money. The data from the following questions may be used by this site to apply for these grants. Your answers will be used only for statistical purposes.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Other than English, what language is spoken in your home? _____ <input type="checkbox"/> Prefer not to answer
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Are you or a member of your household considered disabled? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Prefer not to answer

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Enter all W-2 information; see Pub 4012, TAB D for entry instructions

If yes, verify tips were reported to employer; if not, complete Form 4137

Include only qualified unreimbursed expenses (Sch A); see Pub 17, Chapter 21

Check for tax benefits for declared disaster areas

Taxpayer may have a requirement to repay their credit

Student Loan Interest adjustment; See Pub 4012 Page E-4

See Pub 4012, TAB D for information about F1098T

If yes, determine if taxable

See Pub 4012, Page E-3 for alimony definition

See Pub 4012, Tabs J and compare credits and adjustment

Advise taxpayer of records requirements (Sch A); see Pub 17, Chapter 24

If yes, ask taxpayer for provider's TIN, check "CDC" box on TaxWise Main Info Sheet, and complete F2441

Ask taxpayer for a copy of last year's return for necessary information

The certification indicators on each question (B, A, HSA, COD) should only be used to assign returns to preparers. The final Scope/Certification level determination should be made after completing the Interview Process using the Scope of Service Chart in Pub 4012.

Important Reminder: On page 4, list the type and amount of any deductible and/or qualified expenses not shown on a source document

Important Reminder: A thorough interview with the taxpayer **must** occur before starting to prepare any tax return.

The two questions related to languages spoken in the home and disability are voluntary. If the taxpayer chooses to answer, ask if your site is recording the answers in the tax software.

Important Reminder: On page 4, list the type and amount of any income not shown on a source document

VITA/TCE Quality Site Requirements Briefing

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 return preparation and quality service. The purpose of the ten **Quality Site Requirements (QSR)** is to ensure quality and accurate 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.

- 1. Certification:** Annually, **all volunteers** are required to complete the Volunteer Standards of Conduct training and pass the Volunteer Standards of Conduct test with a score of 80% or higher, prior to working at a VITA/TCE site.

New this year, all volunteers (greeters, client facilitators, site/local coordinators, certified preparers, quality reviewers, and instructors) are required to annually complete awareness training that explains the Intake/Interview & Quality Review Process. This training is available on Link & Learn Taxes, embedded in the Volunteer Standards of Conduct (Ethics) Training; in Form 6744, VITA/TCE Volunteer Assistor's Test/Retest; and in Publication 4961, Volunteer Standards of Conduct- Ethics Training. In addition, instructors, site/local coordinators, return preparers, and quality reviewers are required to view the IRS PowerPoint that details how to prepare and quality review tax returns. This process includes interviewing the taxpayer and discussing items on Form 13614-C, *Intake/interview & Quality Review Sheet*.

Volunteers who answer tax law questions, instruct tax law classes, prepare or correct tax returns and/or conduct quality reviews of completed tax returns are required to be certified in tax law. All designated/peer-to-peer quality reviewers are required to be certified at a minimum, at the Basic level or higher (based on the complexity of the return). All VITA/TCE instructors at a minimum are required to be certified at the Advanced level.

All site coordinators are required to complete Site Coordinator Training, annually. This training is available through Link & Learn Taxes (L<) or IRS created PowerPoint. AARP local coordinators attend mandated AARP training.

- 2. Intake and Interview Process:** **All sites** are required to use Form 13614-C, Intake/Interview & Quality Review Sheet, for every return prepared by a VITA/TCE volunteer. It is a requirement that all IRS certified volunteer preparers use a complete Intake and Interview Process. To promote accuracy, this process must include an interview with the taxpayer while reviewing Form 13614-C and all supporting documents prior to preparing the tax return.
- 3. Quality Review Process:** All returns prepared by a volunteer preparer must be quality reviewed. Reviews conducted by a designated or peer-to-peer reviewer comply with this requirement. Self-review is not an approved quality review method. Quality reviewers are required to interview the taxpayer while verifying items listed on Form 13614-C in the "IRS Certified Volunteer Quality Reviewer Section", are correct. Prior to signing the tax return the taxpayer must review their return for accuracy and be advised they are solely responsible for the information on their return. In most sites, the quality reviewer performs this task.
- 4. Reference Materials:** All sites are required to have one copy (paper or electronic) of the following reference materials available for use by volunteers.
 - Publication 4012, Volunteer Resource Guide
 - Publication 17, Your Federal Income Tax for Individuals

Sites using TaxWise have electronic access to Publication 4012, Publication 17, Volunteer Tax Alerts, and Interactive Tax Assistant (ITA).

- 5. Volunteer Agreement:** All volunteers (site/local coordinators, preparers, quality reviewers, greeters, screeners, client facilitators, etc.) are required to complete the Volunteer Standards of Conduct training annually, including passing the test, and sign and date Form 13615, *Volunteer Standards of Conduct Agreement-VITA/TCE Programs*, prior to working at a VITA/TCE site. To be valid, Form 13615, Volunteer Standards of Conduct Agreement, must be certified (signed and dated) by the site coordinator, sponsoring partner, instructor, or IRS contact. This process validates the volunteer's identity and certification level was verified.

- 6. Timely Filing:** For e-filed returns, Form 8879, *IRS e-file Signature Authorization*, is required to be signed by the taxpayer, which gives the site permission to e-file their tax return. IRS requires this form to be maintained for three years by the partner; however, VITA/TCE sites received a waiver for the three-year retention requirement for Form 8879 and supporting documents.

Based on this waiver, all VITA/TCE sites are required to secure the taxpayer's and spouse's signature on Form 8879. In addition, the signed Form 8879 is required to be given to the taxpayer along with a copy of their tax return. Without a signed Form 8879, the site does not have permission to e-file nor does it provide evidence to show taxpayers had the opportunity to read the important declaration prior to submitting the e-filed tax return.

Partners choosing to maintain Forms 8879, and the supporting documents (even though it is not required), can do so as long as they are properly secured and properly destroyed any time, but no later than the three year anniversary date. These documents must not be sent to any IRS offices.

- 7. Title VI:** All VITA/TCE sites are required to display a **current** Publication 4053 (EN/SP), *Your Civil Rights are Protected*, or a **current** AARP D143, AARP Title VI Poster.

Publication 4481, *Your Civil Rights are Protected*, is now obsolete and has been replaced with the Civil Rights Division (CRD) Publication 4454, *Your Civil Rights are Protected*, brochure. Publication 4454 is an optional product designed to notify taxpayers of their civil rights when tax preparation services can not be offered, i.e. lack of information to prepare return, return not within scope of the VITA/TCE Programs, etc). According to CRD, using any other products as the source for notifying the taxpayers of their Title VI rights is not acceptable. Publication 730, *Important Tax Records Envelope (VITA/TCE)*, and the AARP envelope as the source for notifying the taxpayers of their Title VI rights is **not acceptable**.

- 8. Site Identification Number:** It is critical that the correct Site Identification Number (SIDN) is reported on **ALL** returns prepared by VITA/TCE sites.

- 9. Electronic Filing Identification Number:** The correct Electronic Filing Identification Number (EFIN) is required to be used on every return prepared.

- 10. Security, Privacy and Confidentiality:** All guidelines outlined in Publication 4299, *Privacy, Confidentiality and the Standards of Conduct – A Public Trust*, are required to be followed by all volunteers.

SPEC's corrective actions to increase identity theft prevention behavior at all VITA/TCE sites outline that **all** volunteers are required to:

- Wear name identifications, at a minimum that includes the volunteers' first name and the first letter of their last name. This can include a work ID, AARP name badges, IRS Badge Stickers, or similar products. New this year Form 14509, *Volunteer ID Card*, is an optional product developed for volunteers to display their identity. The ID badge does not need to be updated annually unless the information on the ID badge has changed. However, wearing identifications no longer serves as proof of certification.
- Request a photo ID from taxpayers/spouses and proof of social security number (SSN) or individual tax identification number (ITIN) for everyone listed on the tax return. Exceptions for requiring photo ID should only be made by the site coordinator under extreme circumstances and should not be the normal process at the site. For example, there may be limited situations where an exception may apply to a person with a disability, the elderly, or other unique circumstances. This exception to the rule does not include taxpayers known to the site or returning taxpayers.
- Validate social security numbers by using various documents issued from the Social Security Administration. This includes social security cards, Medicare cards with the letter "A" after the social security number (new this year), social security letters, social security income statements, and other documents issued from SSA. For more information, please refer to Publication 4299, *Privacy, Confidentiality, and the Standards of Conduct-A Public Trust*.

Refer to www.irs.gov - Key word search: Quality Site Requirements, for more detailed information.

Basic Steps in Preparing a Tax Return Using TaxWise®

1. **Review with the taxpayer the Intake and Interview Form and the list of out-of-scope items**
2. **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.
 - Go to Tax Forms.
3. **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.
4. **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.
5. **Go down the 1040 income section and link out to the supporting document for every line**
 - Interest, Form 1099-INT, to Interest Stmt
 - Dividends, Form 1099-DIV, to Dividend Stmt
 - State Tax Refund, Form 1099-G, to worksheet
 - Alimony to 1040 Line 11
 - Business Income 1099-Misc and notes to Sch C
 - Capital Gains, Form 1099-B to Cap Gn Wkt
 - IRA Distributions, Form 1099-R
 - Pension, Form 1099-R
 - Unemployment, Form 1099-G to Worksheet
 - Social Security benefits, Form SSA 1099 to Wkt1
 - Other Income such as Form 1099-Misc (Box 3) and Gambling, Form W-2G to Wkt
6. **Enter information for any adjustments that apply**
7. **If the taxpayer's deductions might exceed the standard deduction, open Sch A and enter deductions**
 - Medical expenses (including after-tax insurance premiums)
 - Taxes paid
 - Mortgage interest paid
 - Charitable contributions
 - Miscellaneous deductions
8. **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
9. **Ensure that any Other Taxes are appropriate**
 - Look for exceptions to early distribution penalties
10. **Complete state and local returns as required**
11. **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.
12. **Enter bank account and routing numbers**
13. **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.
14. **Finish the return**
 - Run Diagnostics.
 - Review warnings and make necessary changes.
 - Verify each overridden entry.
 - 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.
15. **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.
16. **Complete the site log**



Chart A – For Most People Who Must File

If your filing status is...	AND at the end of 2013 you were...*	THEN file a return if your gross income was at least...**
Single	under 65	\$10,000
	65 or older	\$11,500
Married filing jointly***	under 65 (both spouses)	\$20,000
	65 or older (one spouse)	\$21,200
	65 or older (both spouses)	\$22,400
Married filing separately (see the instructions for line 3)	any age	\$ 3,900
Head of household (see the instructions for line 4)	under 65	\$12,850
	65 or older	\$14,350
Qualifying widow(er) with dependent child (see the instructions for line 5)	under 65	\$16,100
	65 or older	\$17,300

* If you were born on January 1, 1949, you are considered to be age 65 at the end of 2013.

** **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 2013 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, when 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 2013 (or on the date your spouse died) and your gross income was at least \$3,900, 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. 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 \$1,000.
 2. Your earned income was over \$6,100.
 3. Your gross income was more than the larger of —
 - a. \$1,000, or
 - b. Your earned income (up to \$5,750) plus \$350.

- Yes.** You must file a return if **any** of the following apply.
 1. Your unearned income was over \$2,500 (\$4,000 if 65 or older **and** blind).
 2. Your earned income was over \$7,600 (\$9,100 if 65 or older **and** blind).
 3. Your gross income was more than the larger of —
 - a. \$2,500 (\$4,000 if 65 or older **and** blind) or
 - b. Your earned income (up to \$5,750) plus \$1,850 (\$3,350 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 \$1,000.
 2. Your earned income was over \$6,100.
 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. \$1000, or
 - b. Your earned income (up to \$5,750) plus \$350.

- Yes.** You must file a return if **any** of the following apply.
 1. Your unearned income was over \$2,200 (\$3,400 if 65 or older **and** blind).
 2. Your earned income was over \$7,300 (\$8,500 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. \$2,200 (\$3,400 if 65 or older **and** blind), or
 - b. Your earned income (up to \$5,750) plus \$1,550 (\$2,750 if 65 or older **and** blind).

Note: For children under age 18 and certain older children, investment income over \$2,000 is taxed at the parent's rate if the parent's rate is higher than the child's. For this purpose, "investment 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, and income received as the beneficiary of a trust. If the child's investment income is more than \$2,000, 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 2013.

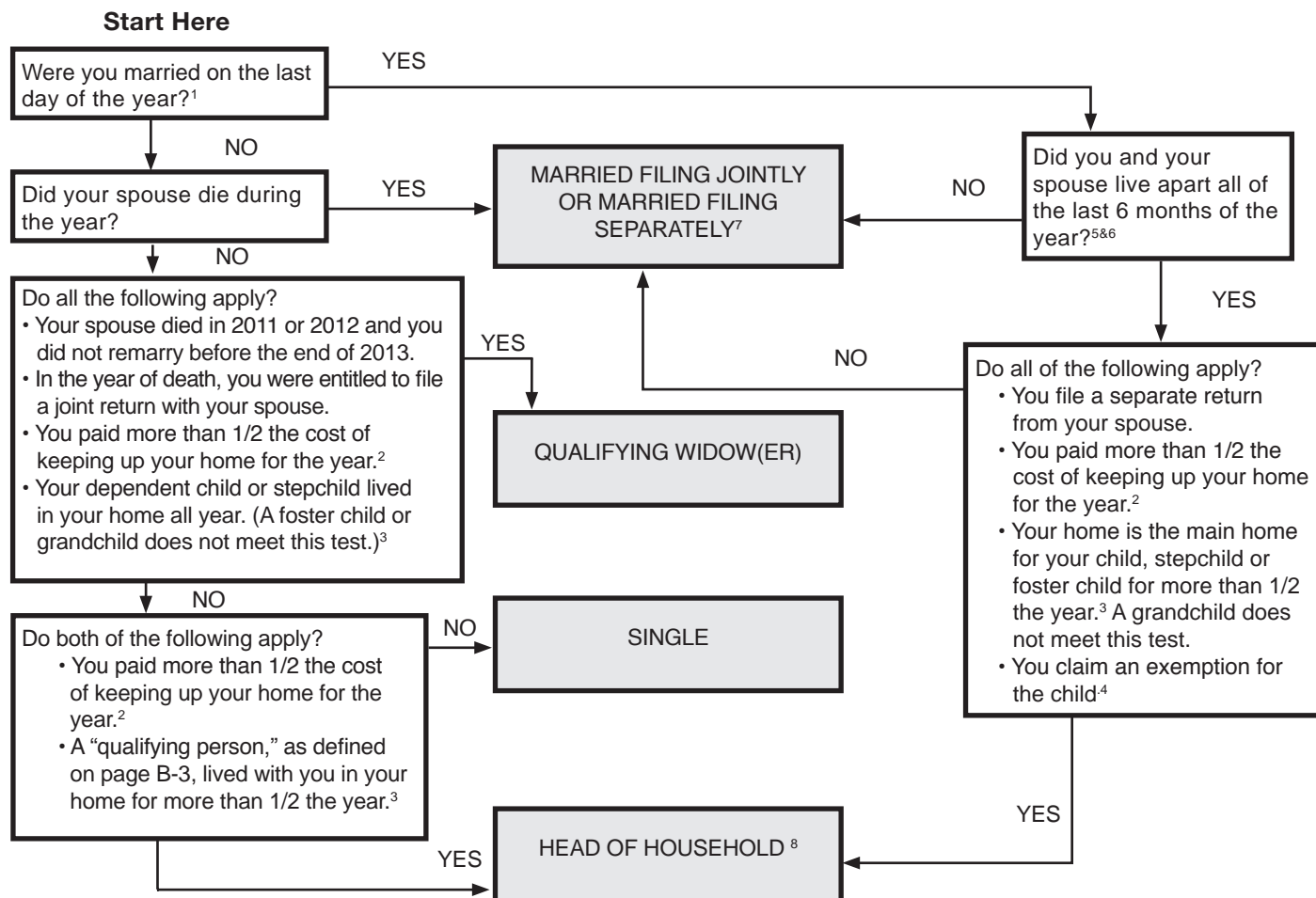
1. You owe any special taxes, including any of the following.
 - a. Alternative minimum tax.
 - b. Additional tax on a qualified plan, including an individual retirement arrangement (IRA), or other tax-favored account. But if you are filing a return only because you owe this tax, you can file **Form 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 59b.
 - 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 60.
 - g. Recapture taxes. See the instructions for line 44 and line 60.
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.



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 health coverage tax credit. For information about this credit, see Form 8885, Health Coverage Tax Credit. (Out of scope)
6. 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)
7. You qualify for an American Opportunity Credit.
8. You receive a 1099-B and the gross proceeds plus other income exceeds the filing limits in Chart A.
9. You receive Form 1099-S, Proceeds From Real Estate Transactions
10. 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 “YES” to this question if you are an individual in a same-sex marriage, legally married in a jurisdiction that recognizes the marriage, regardless of whether you live in a jurisdiction that recognizes same-sex marriage or a jurisdiction that does not recognize same-sex marriage.
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 you live with your nonresident alien spouse 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.
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; if your spouse died during the year and you did not remarry by the end of the year ; or if you are an individual in a same-sex marriage, legally married in a jurisdiction that recognizes the marriage, regardless of whether you live in a jurisdiction that recognizes same-sex marriage or a jurisdiction that does not recognize same-sex marriage.)

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 year ^{2,3}
- 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**.

step 4

Did your spouse die in 2011 or 2012?

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 you live with your nonresident alien spouse who you do not choose to treat as a resident alien for tax purposes.

³Your 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).



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



Exemptions

- Exemptions reduce the taxpayer's taxable income
- Exemption Amount: \$3,900
- 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 dependents.



interview
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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 and is not the dependent of another U.S. taxpayer.

³ If married filing jointly (other than to claim a refund of withholding 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 a claim for refund and there would be no tax liability for either spouse on separate returns.
- 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 \$3,900. 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 as a claim for 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.

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, 2013?	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 and no tax liability would exist for either spouse if they had filed separate returns.</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 child 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 child: -under age 19 at the end of the year and younger than you (<i>or your spouse, if filing jointly</i>) OR -a full-time student under age 24 at the end of the year and younger than you (<i>or your spouse, if filing jointly</i>) OR -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 child 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 child 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 child a qualifying child of any other person?	If YES : You must be the person entitled to claim the child as a qualifying child. 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



interview tips

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 (i.e., your niece or nephew)? OR Was the person your father, mother, or an ancestor or sibling of either of them (i.e., your grandmother, grandfather, aunt, or uncle)? 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 \$3,900 in 2013?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) are generally considered support provided by the state.



Table 2: Dependency Exemption for Qualifying Relative

interview
tips

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)

interview
tips

Probe/Action: Ask the taxpayer:

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 2013 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 2013?	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. (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*.

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

Main Information Screen

Sal.	Your first name	Initial	Last name	Suffix	Your SSN
.....	.....	.....	.....	.....	222-22-2222
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					
Telephone numbers					
	Taxpayer		Spouse		
Daytime .....	.....		.....
Evening .....	.....		.....
Cell phone .....	.....		.....
Foreign phone .....	.....		.....
Birth date .....	.....		.....
Age for Federal tax purposes	0		0		
Taxpayer's occupation .....	.....			
Spouse's occupation .....	.....			

Do not use punctuation marks (period, comma, or hyphen).
Verify

Enter spouse SSN.

Verify spouse last name with SS card. If different from taxpayer, enter last name here.

Note 1: see below. Enter zip code first. (See note 2.)

Always ask for at least one telephone number.

Caution: If you do not enter a number on the Daytime line, no number will appear on the printed returns.

Enter area code first.

Must input birth date. Include spouse if joint return.

Enter as mmddyyyy (program will enter slash marks).

Note 1: 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 in the address area at the top of Form 1040 page 1, as required by the IRS.

Note 2: Once the ZIP code is entered TaxWise® will then auto-fill the city and state.

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? Yes No
 If "Yes", enter the amount of income excluded 0.
 Check if blind Yes No
 Check if totally and permanently disabled Yes No
 Date of death, ONLY if in 2012 or 2013
 This tax return is being filed by the surviving spouse or someone else.
 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.

Ask taxpayer. Answer does not affect refund or balance due.

Hint: Only enter child's name and SSN in this section if not being claimed as a dependent.

Hint: 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).

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 2012? Yes No
 If "Yes", did you and your spouse live together at anytime after June 30, 2012? 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 (2010 or 2011 only):
 6 Exemptions a Yourself b Spouse Number of boxes checked on 6a and 6b. 1
 Check if
 (a) you can be claimed on another person's return
 (b) filing status 2 and spouse can be claimed on another person's return
 (c) you are using filing status 4 and claiming nonresident alien spouse
 Spouse's first name: Spouse's last name:
 Spouse's SSN or ITIN:
 c Dependents/Nondependents
 Check here to charge a flat fee for dependents instead of a fee per dependent

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)

First name	Last name	Date of birth	Age	Social security number	Relationship to YOU	Mo in Hm	C o d e	E I C	C T 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 **Box 6c1** ..

Number of your children who didn't live with you due to divorce or separation **Box 6c2** ..

Number of other dependents **Box 6c3** ..

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** ..

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.

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.

Use down arrow or space bar on [Relationship to YOU], [Mo in Hm], and [Code] columns for valid choices.

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.

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.

*** EIC must be checked to bring up the applicable EIC forms. If in doubt, check the box.**

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
- 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 Addi 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. **If you make a change to Dependents on Main Information page, you must also make the change on the Addi 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 is a resident of the U.S. but does not have 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.

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

Fee Collect and Audit Shield are only available to tax preparers registered to offer them.

Fee Collect
 Does the taxpayer want to have your tax preparation fees deducted from his or her refund? Yes No

Audit Shield
 Does the taxpayer want Audit Shield? 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.**

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 and scroll to State Information. Select **[click here]** and then select the applicable state of interest. 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 **98765** ← Enter **98765**
 Check if using the Practitioner PIN method for e-filing this income tax return or Form 4868 with direct debit ← Check for Practitioner PIN.

What form(s) are you e-filing using PINs?

- The income tax return ← Only first box should be checked.
- 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 2011 original AGI or 2011 PIN. F8 to change spouse AGI, if incorrect. ← To use Self-Select PIN, taxpayers must bring their prior year tax return or know their prior year PIN.

Taxpayer's original 2011 AGI: [redacted] 0. Spouse's original 2011 AGI: [redacted] 0.
 OR taxpayer's 2011 PIN: [redacted] 0 OR spouse's 2011 PIN: [redacted] 0
 ← Last year's AGI or prior year PIN required for Self-Select 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.

- Form(s) 1098C or contemporaneous written statement
- Form 3468 attachment required
- Form 5713
- Form(s) 8332
- Form 8864 attachment required
- Schedule D transaction listing
- Revenue Procedure 2009-20 (Ponzi loss)
- Form 3115
- Form 4136 attachment required
- Form(s) 8283, page 2 and / or appraisal
- Form 8858
- Form 8885 attachments
- Copy of divorce or separation agreement

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: **07/31/2013**

Taxpayer's PIN . [redacted] 0 Enter 5 numbers, other than all zeroes. Do NOT use @Today.
 I authorize do not authorize Date: [redacted]

ERO firm name [redacted] to enter this PIN as my signature on my tax year 2012 electronically filed income tax return.

Spouse's PIN . [redacted] 0 Enter 5 numbers, other than all zeroes. Date: [redacted]
 I authorize do not authorize

ERO firm name [redacted] to enter this PIN as my signature on my tax year 2012 electronically filed income tax return.

Identity Protection PIN

If the taxpayer is an identity theft victim who has been validated by the IRS and has received a CP01A letter that contains an Identify Protection PIN, enter that PIN here - do not enter leading zeroes [redacted] 0

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)

Note 1: Preparer can enter PIN for Practitioner PIN, and taxpayer will need to sign Form 8879.

Identity Protection PIN

If the taxpayer is an identity theft victim who has been validated by the IRS and has received a CP01A letter that contains an Identify Protection PIN, enter that PIN here - do not enter leading zeroes [redacted] 0

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: _____ 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. When complete, close form.

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: 209-22-2222

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	_____	_____

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.

Taxpayer Identification Numbers and 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.

Name Controls for Individual Tax Returns

1. Primary Name Control (SEQ 0050) of Form 1040/1040A/1040EZ must equal the first four 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	DiAngelo	DIAN
Ronald En, Sr.	Ronald	En	EN
Thomas Lea-Smith	Thomas	Lea-Smith	LEA-
Joseph Corn & Mary Smith	Joseph	Corn	CORN
	Mary	Smith	SMIT
Roger O'Neil	Roger	ONeil	ONEI
Kenneth McCarty	Kenneth	McCarty	MCCA

2. Consider certain suffixes as part of the last name (i.e., Armah-Bey, Paz-Ayala, Allar-Sid). Particular attention must be given to those names that incorporate a mother's maiden name as a suffix to the last name.

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	AlvaradoNogales	ALVA
Juan de la Rosa Y Obregon	Juan	DeLaRosaYObregon	DELA
Pedro Paz-Ayala	Pedro	Paz-Ayala	PAZ-
Donald Vander Neut	Donald	VanderNeut	VAND
Otto Von Wodtke	Otto	VonWodtke	VONW
John Big Eagle	John	BigEagle	BIGE
Mary Her Many Horses	Mary	HerManyHorses	HERM
Ted Smith Gonzalez	Ted	Gonzales	GONZ
Maria Acevedo Smith	Maria	Smith	SMIT
Robert Garcia Garza Hernandez	Robert	GarzaHernandez	GARZ

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

Examples:

Individual Name Primary/Secondary Name Control

Individual Name on SSN/ITIN Card(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

Name Line 1 Format

1. Name Line 1 CANNOT CONTAIN MORE THAN 35 CHARACTERS (this includes both names on the tax return).

If information in Name Line 1 exceeds 35 characters, it will truncate using the following priority:

- Substitute the initial for the second given name.
- Omit the second initial of the secondary taxpayer, if necessary.
- Omit the second initial of the primary taxpayer, if necessary.
- Substitute initials for the secondary taxpayer's given name.
- Substitute initials for the primary taxpayer's given name.

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)

<ul style="list-style-type: none"> Wages, salaries, bonuses, commissions Alimony Annuities Awards Back pay Breach of contract Business income/Self-employment 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 	<ul style="list-style-type: none"> Military pay (not exempt from taxation) Military pension Notary fees Partnership, Estate and S-Corporation income <i>(Schedule K-1s, Taxpayer's share)</i> Pensions Prizes Punitive damage Railroad retirement—Tier I (portion may be taxable) Railroad retirement—Tier II Refund of state taxes² Rents (gross rent) Rewards Royalties Severance pay Self-employment Nonemployee compensation 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 Unemployment compensation
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Table B – Examples of Nontaxable Income

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

<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Meals and lodging for the convenience of employer 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
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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 Income 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 • 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) 	<ul style="list-style-type: none"> • 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 • Moving 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 dependent 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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Income Documents

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

Form	Type	Go to 1040 Line	TaxWise® Entries (See Note 1)
W-2	Wages & Salaries	7	Link and complete Form W-2
1098-T	Taxable scholarship income	7	Link to Wkt1
	Household employee income (no W-2)	7	Link to Wkt1
1099-INT	Interest	8a	Select Interest Stmt from Forms Tree or Link to Schedule B, and then link to the Interest Stmt
1099-DIV	Dividends	9	Select Dividend Stmt from Forms Tree or Link to Schedule B, and then link to the Dividend Stmt
1099-G	State Tax Refunds	10	Link to State Tax Refund Worksheet
1099-MISC (Box 7)	Miscellaneous Income (Self Employment Income) (See Note 2)	12	Link from appropriate 1040 line to 1099-MISC (eg, line 21 for Other Income) or to any required schedule (C, C-EZ, E) and then to 1099-MISC. DO NOT start with the 1099-MISC. See Note 2 regarding Nonemployee Compensation
1099-B	Sale of Stock	13	Select Cap Gn Trans Wkt in Forms Tree or add Form 8949 and link to Cap Gn Trans Wkt.
1099-R	Distributions from IRAs	15	Link and complete Form 1099-R
1099-R	Distributions from Retirement Plans	16	Link and complete Form 1099-R
CSA-1099-R	Civil Service Annuity Paid	16	Link and complete Form 1099-R
CSF-1099-R	Statement of Survivor Annuity Paid	16	Link and complete Form 1099-R
RRB-1099-R	Railroad Retirement Benefits (Tier 2)	16	Link and complete Form 1099-R
Schedule K-1 (Form 1065, 1120S or 1041)	Interest and/or Dividend Income, Capital Gains and Losses, Tax-Exempt Interest Income, Royalties	various	Interest income to Interest Statement Tax exempt income to Interest Statement in NAEOB column Dividend income to Dividend Statement Royalties to Schedule E Line 4 Short Term Capital Gains to Sch D Line 5 using a scratch pad Long Term Capital Gains to Sch D Line 12 using a scratch pad
1099-G	Unemployment Compensation	19	Link and complete Form 1099-G
SSA-1099R	Social Security Benefits	20	Link and complete 1040 Wkt 1
RRB-1099	Railroad Retirement Benefits (Tier 1)	20	Link and complete 1040 Wkt 1
W-2G	Gambling Winnings	21	Link to Wkt 7 and then to W-2 G
1099-MISC (Box 3)	Prizes, Awards, Jury Duty	21	Link from "Amount" box to complete line 21, Other Income

Other Income

Once the main information data and income statements are entered, TaxWise® automatically makes available all forms and schedules for credits except American Opportunity and Lifetime Learning Credits and Retirement Savings Contribution Credit if there is only a Roth IRA contribution. These credit forms and schedules will be annotated with a red exclamation point.

Note 1: If the applicable form is in the left-hand tree, it may be selected directly rather than linking from Form 1040.

Note 2: For nonemployee compensation, it is important to link to Schedule C or C-EZ and then from "Gross Receipts" to the 1099-MISC before completing the rest of Schedule (exception is earnings of the newspaper carrier, <18 years of age - in this case, the 1099-MISC is linked from line 21 because earnings are not subject to self-employment tax).

Tip: To eliminate unnecessary burden on the taxpayer, such as a CP-2000 Notice, the "Regulatory Explanation" or "Election Explanation" form should be added to the return to provide further explanation about an item reported or not reported on the tax return. The "Regulatory Explanation" form is added to the TaxWise forms tree by selecting the "Add Form" option and typing "RegExpl" in the search box. The "Election Explanation" form is added to the TaxWise forms tree by selecting the "Add Form" option and typing "Election" in the search box.

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.

Income		
7	Wages, salaries, tips, etc. AB <input type="checkbox"/> FB <input type="checkbox"/> DCB <input type="checkbox"/> SNE <input type="checkbox"/> SSHIP <input type="checkbox"/>	0.
	Taxable scholarship not on Form W2	0.
	Household employee income not on Form W2	0.
8a	Taxable interest	0.
b	Tax-exempt interest	0.
9a	Ordinary dividends including qualified dividends from Forms 8814, listed on Schedule B	0.
b	Qualified dividends including qualified dividends from Forms 8814, listed on Schedule B	0.
	Qualified dividends from Schedules K-1 are included on line 9b. Do NOT list these amounts on Schedule B	0.
<div style="border: 1px solid black; padding: 5px;"> 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 <input type="checkbox"/> Yes <input type="checkbox"/> No </div>		
10	Taxable refunds, credits, or offsets of state and local income taxes. F9 for worksheet	0.
11	Alimony received	0.
12	Business income or (loss)	0.
13	Capital gain or (loss) Schedule D not required: <input type="checkbox"/>	0.
14	Other gains or (losses) Form 4684 only: <input type="checkbox"/>	0.
15a	IRA distributions Total	0.
b	Taxable amount Check if rollover: <input type="checkbox"/> and F9 to explain: <input type="checkbox"/>	0.
16a	Pensions and annuities Total	0.
b	Taxable amount Check if any amounts were rolled over: <input type="checkbox"/>	0.
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc	0.
18	Farm income or (loss)	0.
19	Unemployment compensation	0.
	Repayment of 2011 unemployment compensation	0.
20a	Social security benefits	0.
b	Taxable amount D <input type="checkbox"/> LSE <input type="checkbox"/>	0.
21	Other income	0.
	*Type: Amount	0.

Link to Form W-2.

Link to Form 4137 to calculate Social Security and Medicare tax on unreported tips.

Link to 1040 Worksheet 1 to enter taxable portion.

Link to 1040 Worksheet 1 to enter income not reported on a Form W-2

Input interest on the Interest Statement.

Input dividends on the Dividend Statement.

Link to state tax refund worksheet.¹

Enter directly.

Link to Sch C or Sch C-EZ.²

Input Capital gains or loss on the Capital Gain or Loss Transactions Worksheet.

Link to Form 1099R.

Link to Form 1099R.

Link to Sch E, page 1.

Link to Form 1099-G.

Link to Form 1040 wkt 1.

Link to wkt 7 and additional forms or scratch pads as necessary

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.

¹ List state refund only if taxpayer itemized deductions (on Schedule A) last year and taxes were reduced because of deductions for income tax.

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.

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 \$97,600 for 2013. The foreign housing exclusion is \$42.78 per day or \$15,616 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: [REDACTED] Employee's SSN: 222-22-2222

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 [REDACTED]
 Zip code, city, and state [REDACTED]
 Foreign street address [REDACTED]
 Foreign city [REDACTED]
 Foreign province / state [REDACTED]
 Foreign Zip code [REDACTED]
 Foreign country code [REDACTED]

Check if employer was contacted to verify W-2 Employer phone: [REDACTED]
 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 [REDACTED]

a Control number: [REDACTED] Corrected W2 (W-2C):

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

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 invalid 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.

Form W-2 Instructions (cont.)

12 Code Amount YY -> Year <input type="checkbox"/> 0. <input type="checkbox"/> for prior year <input type="checkbox"/> 0. <input type="checkbox"/> USERRA contribution <input type="checkbox"/> 0. <input type="checkbox"/>			14 Other Type Amount Qualifies for Form 8880 <input type="checkbox"/> 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"/>			
13 Statutory employee Retirement plan Third party sick pay <input type="checkbox"/> <input type="checkbox"/> <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
<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.	

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 taxpayer provided W-2.

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 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.

How to Enter Tips

Allocated Tips:

Allocated tips in box 8 of Form W-2 will carry over to line 4 of Form 4137. If this amount is not correct, verify the amount entered in box 8 of Form W-2.

How to Enter Unreported Tips:

Link to Form 4137 from line 7 or Line 57 of Form 1040. Form 4137, line 2 will automatically calculate the figures on lines 3 and 4. From Form W-2 the Social Security tips (box 7) will appear on line 3 and the Allocated tips (box 8) will appear on line 4.

If the taxpayer has unreported tips, you may need to override a few entries on Form 4137. Use the override function on the Employer's Name and enter it if it does not appear automatically. If the taxpayer has a tip log that shows a different amount than his or her allocated tips, override line 4 and enter the actual amount received.

If the taxpayer has no allocated tips, then the amount of unreported tips can be entered directly on line 4. If, in any month, less than \$20 in tips were received and not reported to the employer, enter the amount on line 5.

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: [REDACTED]		SSN: 222-22-2222	
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	[REDACTED]	[REDACTED]	0.
b	[REDACTED]	[REDACTED]	0.
c	[REDACTED]	[REDACTED]	0.
d	[REDACTED]	[REDACTED]	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			110,100.
8 Total social security wages and social security tips, total of boxes 3 and 7 on Forms W2, or railroad retirement tier 1 compensation			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			110,100.
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.
11 Multiply line 10 by .042			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

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

US Schedule B		Interest and Ordinary Dividends	
Name: [REDACTED]		SSN: 209-22-2222	
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: [REDACTED]		ID number: [REDACTED]	Amount: 0.
Address: [REDACTED]		Amount: 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	[REDACTED]	[REDACTED]	0.
c	[REDACTED]	[REDACTED]	0.
d	[REDACTED]	[REDACTED]	0.
e	[REDACTED]	[REDACTED]	0.
f	[REDACTED]	[REDACTED]	0.
*g	[REDACTED]	[REDACTED]	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: [REDACTED] 0. for the taxpayer and [REDACTED] 0. for the spouse on the statement as K-1 interest.			
Subtotal			0.

Interest Statement for Schedule B, Line 1b Interest Received

US Schedule B		Interest Received					2012		
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
In-state muni bond	0			0	E	200	0	0	0
Savings bond	300		-	300		0	0	0	0
Other State bond	0		+	400	E	400	0	0	0
US Govt obligation	500		-	500		0	0	0	0
OID-not bought/sold	600			0		0	0	0	0
	0			0		0	0	0	0

Enter 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 from Form 1099-INT, box 9

Enter amount from Form 1099-INT, box 2.

Enter amount from Form 1099-INT, box 4.

Municipal bond = exempt interest

Other State bond refers to interest on an out-of-state municipal bond

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

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
- A – Accrued interest—Interest paid to seller at time of purchase
- E – Federal tax exempt interest
- O – OID – Generally not used since most interest reported on Form 1099-OID is fully taxable and should be entered as ordinary interest.
- B – Amortized bond premium—See IRS Publication 1212 for more details.

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

Interest on U.S. savings bonds is taxable on the federal return but is NOT taxable on the state return (third 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 (fourth line in screen shot above).

TAX TIP: Always fill in the additional interest form as though there is only a federal return. 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.

Schedule B – Ordinary Dividends

Do not make entries directly on line 5a; Link to Dividend Stmt

Part II: Ordinary Dividends

5 Payer. If the payer is a brokerage firm, list the firm's name as the payer.

	Amount
a	0.
b	0.
c	0.
d	0.
e	0.
f	0.
g	0.
h	0.
* i	0.
** j	0.
Subtotal	0.

* The qualified dividends from Forms 8814 transfer to line i. If you are using the dividend statement, check here AND manually enter in BOTH the ordinary dividends column AND the qualified dividends column: 0. for the taxpayer and 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 AND manually enter: 0. for the taxpayer and 0. for the spouse on the statement as K-1 dividends.

Dividend Statement for Schedule B, Line 5 Dividend Income

US Schedule B		Dividend Income									
Payer	Ordinary dividends	Qualified dividends	T5J	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.

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 1: Enter dividends from direct federal government obligations 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: Always fill in the Dividend Statement as though there is only a federal return. This entry is transferred directly to the state return. Then, ask the question, "Is the dividend treated differently on the state return?" If yes, adjust by entering the appropriate +/- and amount in the State adj 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 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 deduction.

Schedule C-EZ Business Income

US Schedule CEZ **Net Profit from Business**

This business or profession is owned by the: Taxpayer Spouse

Name of proprietor: [REDACTED] SSN: 222-22-2222

Part I: General Information

You may use this form

if you

- 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

- 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 [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. Not required if the same as the tax return address. Zip code, city or town, and state [REDACTED]

F Did you make any payments in 2012 that would require you to file Form(s) 1099? Yes No

G If "Yes", did you or will you file all required Forms 1099? Yes No
If filing Form 1040NR, check here if the taxpayer is required to pay self-employment tax on this income

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 [REDACTED] 0.

If this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked, check here

2 Total expenses. If more than \$5,000, use Schedule C [REDACTED] 0.

3 **Net profit.** If less than -0-, you MUST use Schedule C [REDACTED] 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? (MM/DD/YYYY) [REDACTED]

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: [REDACTED] **b** Commuting: [REDACTED] **c** Other: [REDACTED]

Business miles at the standard mileage rate of . . . 55.5¢
Include this amount with any other expenses you list on line 2 above . . . [REDACTED] 0.

	Yes	No
6 Was your vehicle available for use during off-duty hours?	<input type="checkbox"/>	<input type="checkbox"/>
7 Do you (or your spouse) have another vehicle available for personal use?	<input type="checkbox"/>	<input type="checkbox"/>
8a 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"/>

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

Select Schedule C-EZ for Taxpayer or Spouse

Sch C-EZ can be used only if these statements are true. See Note below. Only one Sch C-EZ is allowed per taxpayer.

Click for list of Business Codes.

If taxpayer does not have an EIN, leave blank.

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 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 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 2011 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 1b to use Form 1099-MISC.	
1a Gross merchant card and third party network receipts and sales [REDACTED]	[REDACTED]
b Gross receipts or sales not entered on line 1a [REDACTED]	[REDACTED]
c Income reported to you on Form W2 if the "Statutory Employee" box on that form was checked. Do not mix statutory employee income and non-employee income on the same Schedule C [REDACTED]	[REDACTED]
d Total gross receipts. Add lines 1a, 1b, and 1c [REDACTED]	[REDACTED]
2 Returns and allowances plus any other adjustments (see instructions) [REDACTED]	[REDACTED]
3 Subtract line 2 from line 1d [REDACTED]	[REDACTED]
4 Cost of goods sold from line 42 on page 2 [REDACTED]	[REDACTED]
5 Gross profit. Subtract line 4 from line 3 [REDACTED]	[REDACTED]
6 Other income, including Federal and state gasoline or fuel tax credit or refund [REDACTED]	[REDACTED]
7 Gross income. Add lines 5 and 6 [REDACTED]	[REDACTED]
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.	

Click for list of Business Codes.

If taxpayer does not have an EIN, leave blank.

Note:
Question 1 - Did you make any payments in 2013 that would require you to file Forms 1099? Yes or No boxes
Question J - If yes did you or will you file all required Forms 1099 Yes or No boxes

If taxpayer answers yes to either question, 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.

Business miles from standard mileage automatically entered from Part IV.

Only standard mileage is in scope, not actual expenses.

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 more information on allowable expenses.

* 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 (2012)

Name: _____ SSN: 222-22-2222

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 55.5¢. This amount will be listed on page 1, line 9. 0.

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

45 Was your vehicle available for personal use during off-duty hours? Yes No

46 Do you (or your spouse) have another vehicle available for personal use? Yes No

47 a Do you have evidence to support your deduction? Yes No
b If "Yes", is the evidence written? Yes No

Part V: Other Expenses List below business expenses not included on lines 8-26 or line 30.

Type	Amount
_____	0.
_____	0.
_____	0.
_____	0.
_____	0.
_____	0.
_____	0.
_____	0.
_____	0.
_____	0.
48 Total other expenses	0.

*Amortization from Form 4562 is transferred to this line.
If you are using the statement, check AND manually enter: 0.

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.

Use this section for other expenses not listed in Part II.

Schedule D – Capital Gain or Loss Transactions Worksheet

US Schedule D Capital Gain or Loss Transactions Worksheet

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 *	(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
					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.	

Form 1099-B box 2a

Form 1099-B box 1a

Form 1099-B, descriptions, box 8

Form 1099-B, box 1b

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 back to Sch D and use the estimate function key to delete red on cost basis.

Only used if an adjustment is made to basis. Codes are listed in Form 8949 Instructions and 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 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. Special rules apply to property inherited from someone who died in 2010 (see Publication 4895 for additional information). Property inherited from someone who died in 2010 is out of scope unless taxpayer can provide the basis information.
- Note 3:** Sales commissions and fees must be added to the basis unless they are reflected in Form 1099-B box 2a.
- Note 4:** Net losses greater than \$3000 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.

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.

How To Complete Form 8949, Columns (f) and (g) — TY2013

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 in column (f), see More than one code in the instructions for 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 box B is checked at the top of Part I or II, enter the correct basis in column (e), and enter -0- in column (g). • If box A is checked at the top of Part I or II, 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).
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 by 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). For more information about option premiums, see <i>Gain or Loss From Options</i> in the Instructions for Schedule D (Form 1040).
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). Report the gain or loss on the correct Part of Form 8949.
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 Form 8949 as you would if you 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 Form 8949 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).
You 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).
None of the other statements in this column apply	Leave columns (f) and (g) blank.	

How To Complete Form 8949, Columns (f) and (g) — TY2013

OUT OF SCOPE IF . . .	THEN enter this code in column (f) . . .	AND . . .
You received a Form 1099-B or 1099-S (or substitute statement) as a nominee for the actual owner of the property	N	Report the transaction on Form 8949 as you would if you were the actual owner, but enter any resulting gain as a negative adjustment (use a minus sign) in column (g) or any resulting loss as a positive adjustment in column (g). However, if you received capital gain distributions as a nominee, report them instead as described under <i>Capital Gain Distributions</i> in the Instructions for Schedule D (Form 1040).
You sold or exchanged qualified small business stock and can exclude part of the gain	Q	Report the sale or exchange on Form 8949 as you would if you were not taking the exclusion and enter the amount of the exclusion as a negative number (use a minus sign) in column (g). However, if the transaction is reported as an installment sale, see <i>Gain from an installment sale of QSB stock</i> in the Instructions for Schedule D (Form 1040).
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	Report the sale or exchange on Form 8949 as you would if you were not taking the exclusion. Then enter the amount of the exclusion as a negative number (use a minus sign) in column (g).
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	Report the sale or exchange on Form 8949 as you would if you were not making the election. Then enter the amount of postponed gain as a negative number (use a minus sign) in column (g).
You have a nondeductible loss from a wash sale	W	Report the sale or exchange on Form 8949 and enter the amount of the nondeductible loss as a positive number in column (g). See the Schedule D instructions for more information about wash sales.
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	See <i>Small Business (Section 1244) Stock</i> in the Schedule D (Form 1040) instructions.
You disposed of collectibles (see the Schedule D instructions)	C	Enter -0- in column (g). Report the disposition on Form 8949 as you would report any sale or exchange.

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 bedt, sales price is the balance or principal outstanding.

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	L	-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	

1099-R Codes for Box 7

IN SCOPE

- 1 - Early distribution, no known exception*
- 2 - Early distribution, exception applies*
- 3 - Disability*
- 4 - Death*
- 7 - Normal distribution*
- B - Designated Roth account distribution*
- G - Direct rollover and rollover contribution*
- H - Direct rollover of a designated Roth to a Roth IRA*
- Q - Qualified distribution from a Roth IRA (required to file Form 5329)*

OUT OF SCOPE

- 5 - Prohibited transaction*
- 6 - Section 1035 exchange*
- 8 - Excess contributions plus earnings in excess deferrals*

OUT OF SCOPE (CONT).

- 9 - Cost of current life insurance protection*
- A - May be eligible for 10-year tax option*
- D - Excess contributions plus earnings/excess deferrals*
- E - Excess annual additions under section 415/certain excess amounts under section 403(b) plans*
- F - Charitable gift annuity*
- J - Early distribution from a Roth IRA*
- L - Loans treated as deemed distributions under section 72(p)*
- N - Recharacterized IRA contribution*
- P - Excess contributions plus earnings/excess deferrals*
- R - Recharacterized IRA contributions*
- S - Early distribution from a SIMPLE IRA in the first 2 years, no known exception*
- T - Roth IRA distribution, exception applies*

1099-R Pension and Annuity Income

US 1099-R		Distributions from Profit-Sharing, Retirement Plans, IRA's, etc.		2012	
This 1099-R is for the: <input checked="" type="checkbox"/> Taxpayer <input type="checkbox"/> Spouse					
Recipient's name: John TaxPayer			Recipient's SSN: 111-00-1111		
<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: _____		1 Gross (RRB line 7)		Taxable amount not determined	
Name code: _____		0.		<input type="checkbox"/>	
Payer's name		2 Taxable amount		Total distribution ... <input type="checkbox"/>	
_____		0.		Elect 10 averaging .. <input type="checkbox"/>	
Payer's U.S. address		3 Capital gain in line 2		4 Federal tax withheld	
_____		0.		0.	
Payer's Zip code, city, and state		5 Employee contributions, designated Roth contributions or insurance premiums		6 Net unrealized appreciation in employer's securities	
_____		0.		0.	
Payer's foreign address		7 Codes IRA / SEP / Simple . <input type="checkbox"/>		8 Other 0.0 %	
_____		_____		0.	
Payer's foreign city		Check if disability and the taxpayer is disabled ... <input type="checkbox"/>			
_____		Check to force Form 5329			
Payer's foreign province / state		9a Percentage of total distribution		9b Total employee contributions	
_____		0.0 %		0.	
Payer's Zip code and country code					

Form 1099 Alert

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

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

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

Check if Code 3 is in box 7—person on disability but under retirement age. 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. Do not make an entry in Box 2. 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 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, you must MANUALLY carry the amount to the Schedule A if the taxpayer is itemizing deductions.

Box 7: Take care to enter the code shown on the 1099-R. Refer to previous page for more commonly encountered 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").

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

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

With Form 1099-R selected, link to Help screen to bring up 1099-R instructions. Scroll to and select applicable state for state instructions on use of boxes 1, 2, and 3 and Railroad Retirement.

This worksheet is used to recover the taxpayer's original contributions. The employee contributions are shown in box 5 or box 9b on Forms 1099-R, CSA-1099-R and CSF-1099-R and box 3 of Form RRB-1099-R. "Partially Taxable-Simplified Method" below

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.

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.

Rollover – Exclusion Worksheet

Make sure the Box 7 IRA is checked before starting. TaxWise will transfer the amount to line 15 on the 1040. An IRA Rollover may be either:

- **DIRECT** transfer of securities or funds from one financial institution directly to another. If the funds were transferred from a Traditional IRA to another traditional IRA, Box 7 of the 1099-R should be coded "G" and the amount will be shown as non-taxable on line 15b. This Exclusion Worksheet should have no entries.
- **INDIRECT** rollover is when the taxpayer receives a distribution (Box 7 indicates a normal or early distribution) but reinvests it in another IRA within 60 days. The amount rolled over will be non-taxable.
- Sometimes a withdrawal 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 taxable.

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. IRA rolled from "bank ABC" to "savings & loan DEF")"

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 **may be out of scope.**

Line 4-Enter qualified amount (up to \$3000) for health and/or LTC insurance paid from the retirement plan. Amount may be in Box 5 of the 1099-R or in a letter from the plan.

Line 5-Data will be provided by taxpayer.

- The box: "Ever made nondeductible IRA contributions" would add an incomplete 8606 (red) and would therefore be out-of-scope.
- The box: "conversion from a traditional to a ROTH" would add a completed 8606 (green) and would therefore be out-of-scope.
- If part of the distribution was converted to a ROTH. That part would be taxable and a completed 8606 (green) will be added and would therefore be out-of-scope.

Form 1099-R Simplified Method Worksheet

When the taxable amount of a pension is not determined by the payer, Box 2a of Form 1099-R is blank. In this case, preparers must use the TaxWise Simplified Method worksheet at the bottom of Form 1099-R to calculate the taxable amount of the gross distribution. If the Simplified Method is not used correctly, this may cause an inaccurate tax return.

<input type="checkbox"/> CORRECTED (if checked)		OMB No. 1545-0119	2013	Form 1099-R	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
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 \$ 20,000.00				2a Taxable amount $	2b Taxable amount not determined ☒	Total distribution ☐
					Copy B Report this

Simplified Method

If the taxpayer made after-tax contributions toward the pension, a portion of the annuity payment is not taxable. The Simplified Method calculates the non-taxable amount. (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.”

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	0.
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 if Box 2 is blank..

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 also be checked.

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. 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 2013 tax year times the number of months prior to 2013.
NOTE: If unable to determine, leave blank. This does not affect the taxable amount for the current year. Advise the taxpayer he/she is responsible for determining prior year exclusions from previous tax returns. Generally, the amount excluded over the years as a recovery of the cost cannot exceed the taxpayer's total cost.

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.

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 – 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: CSA-Form 1099-R—Civil Service Retirement Benefits—The Office of Personnel Management issues CSA-Form 1099-R for annuities paid or CSF-Form 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.

1099-R Entry Variations

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].

- Generally, 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.

Note: If no amount 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*. Enter the tax-exempt amount on line 5 of the *Exclusion Worksheet*. TaxWise® will subtract this amount from line 1 and enter the amount on Form 1040 page 1, line 16b. Then the red on line 2 and in the *Exclusion Worksheet* will disappear.

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

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

Step 2-Calculate amount paid 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: 222-22-2222				
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 2012 that would require you to file Form(s) 1099? See instructions <input type="checkbox"/> Yes <input type="checkbox"/> No B If "Yes", did you or will you file all required Forms 1099? <input type="checkbox"/> Yes <input type="checkbox"/> No						
* K-1 royalty information transfers to column C of lines 1 and 3b. 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		Properties				
F9 to 1099-Misc on line 3 or 4		A	B	C		
3	Rents received	0.	0.	0.		
4	Royalties received	0.	0.	0.		
Expenses						
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						
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.		
23 a	Total of all amounts reported on line 3 for all rental properties	0.	0.	0.		
b	Total of all amounts reported on line 4 for all royalty properties	0.	0.	0.		
c	Total of all amounts reported on line 12 for all properties	0.	0.	0.		
d	Total of all amounts reported on line 18 for all properties	0.	0.	0.		
e	Total of all amounts reported on line 20 for all properties	0.	0.	0.		
24	Income. Add positive amounts shown on line 21	0.	0.	0.		
25	Losses. Royalty losses from line 21 and rental real estate losses from line 22	0.	0.	0.		
26	Total rental real estate and royalty income or (loss). Combine lines 24 and 25	0.	0.	0.		
Nonpassive rental activities for EIC purposes		0.	0.	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 out to 1099-Misc if one was received.

Enter royalty income on Line 4 only when reported from Sch K-1

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 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.

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

Foreign income exclusion is for the: Taxpayer Spouse

Name: _____

SSN: 240-11-1111 _____

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 _____

Enter names and addresses as appropriate

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 _____

Select employer information

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 _____

Complete this section regarding previously filed Form 2555

b If you did not file Form 2555 or 2555EZ after 1981 to claim either of the exclusions, check here

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? _____

Indicate citizenship

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

Select yes or no; if yes, complete 8b

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): _____

List tax home and date established

Complete Part II or Part III. If any item does not apply, enter NA. If you do not give the information asked for, any exclusion or deduction you claim may be disallowed.

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
- 12a** 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? _____
- 13a** 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.

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

Check if bona fide residence continues

(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

- 15a** 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 _____

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

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) Days in ctry	(e) Days U.S. bus.	(f) Income earned in U.S. on business
			0	0	0
			0	0	0
			0	0	0
			0	0	0

Part IV: All Taxpayers

List all income including noncash income, you earned and actually or constructively received for services performed in a foreign country. Report amounts in U.S. dollars using the exchange rates in effect when the income was received.

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

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

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.

Enter wages from an employer here

Enter gross self-employment income here

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

Name: _____

SSN: 240-11-1111

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: _____

Part VI: Taxpayers Claiming Housing Exclusion and/or Deduction

28 Qualified housing expenses for the tax year 0

29a 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 366, enter the limit for the location in which you incurred housing expenses. If less than 366, 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 2013 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 \$41.57 by number of days on line 31. Maximum \$15,216 0

33 Subtract line 32 from line 30 0

34 Enter employer-provided amounts 0

35 Divide line 34 by line 27 0

36 **Housing exclusion.** Multiply line 33 by line 35 0

Part VII: Taxpayers Claiming the Foreign Earned Income Exclusion

37 Maximum foreign earned income exclusion 95,100.

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

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

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. 0
 F9 to explanation

45 Subtract line 44 from line 43 0

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 2011. See instructions for worksheet 0

50 **Housing deduction.** Add lines 48 and 49 0

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

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.

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

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

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.



Publication 4731

Screening Sheet for Foreclosures/Abandonments and Cancellation of Debt



NOTE: Only volunteers with a Cancellation of Debt Certification may assist taxpayers with Form(s) 1099-A and 1099-C issues.

Instructions: Use this Screening Sheet to assist in identifying taxpayers with cancellation of debt issues that are within the scope of the VITA/TCE Program.

- 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 Part III for taxpayers with Form 1099-C resulting from cancellation of credit card debt.

Part I - Home Mortgage Loan

Table with 2 columns: Question/Step and Answer/Action. Steps 1-6 cover questions about Form 1099-A, home use, recourse loans, cost/basis, and tax issues. Includes 'Additional Resources' section with links to IRS publications.



Publication 4731

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- 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 Part III for taxpayers with Form 1099-C resulting from cancellation of credit card debt.

Part II – Home Mortgage Loan

step 1	Did the taxpayer receive Form 1099-C, Cancellation of Debt, from their home mortgage lender and is the information shown on the form correct? Note: Answer “yes” if the taxpayer has received a Form 1099-A and Form 1099-C.	YES – Go to Step 2 NO – Go to Step 6
step 2	Did the taxpayer ever use the home in a trade or business or as rental property?	YES – Go to Step 6 NO – Go to Step 3
step 3	Does box 3 of Form 1099-C show any interest or does box 6 show code A indicating bankruptcy? Note: If box 6 is not marked with code A but the taxpayer has subsequently filed bankruptcy, answer “yes.”	YES – Go to Step 6 NO – Go to Step 4
step 4	Ask the following questions to determine if the discharged debt is “qualified principal residence indebtedness:” a. Was the mortgage taken out to buy, build, or substantially improve the taxpayer’s principal residence? (Note: A principal residence is generally the home where the taxpayer lives most of the time. A taxpayer can have only one principal residence at any one time.) b. Was the mortgage secured by the taxpayer’s principal residence? c. Was any part of the mortgage used to pay off credit cards, purchase a car, pay for tuition, pay for a vacation, pay medical/dental expenses, or used for any other purpose other than to buy, build, or substantially improve the principal residence? d. Was the mortgage amount more than \$2 million (\$1 million if Married Filing Separately)?	a. YES – Go to Step 4b NO – Go to Step 6 b. YES – Go to Step 4c NO – Go to Step 6 c. YES – Go to Step 6 NO – Go to Step 4d d. YES – Go to Step 6 NO – Go to Step 5
step 5	The discharged debt is “qualified principal residence indebtedness.” The Mortgage Forgiveness Debt Relief Act of 2007, as extended in the Emergency Economic Stabilization Act of 2008, allows individuals to exclude from gross income any discharges of “qualified principal residence indebtedness” made after 2006 and before 2014. The volunteer should complete the applicable lines on Form 982, and file it with the taxpayer’s return. If the residence was disposed of, the taxpayer also may be required to report the disposition (sale) on Form 8949 and Schedule D.	
step 6	These tax issues are outside the scope of the volunteer program. The taxpayer may qualify to exclude all or some of the discharged debt. However, the rules involved in the mortgage debt relief exclusions are complex. Refer the taxpayer to: <ul style="list-style-type: none"> • www.irs.gov for the most up-to-date information. • The Interactive Tax Assistance (ITA) on www.irs.gov to answer tax law questions. Type “ITA” in the key word search box. • An IRS Representative: 1-800-829-1040. • An IRS Taxpayer Assistance Center (TAC). • 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. 	Additional Resources: <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 4705, Overview of Mortgage Debt Forgiveness • Form 982, Reduction of Tax Attributes Due to Discharge of Indebtedness (and Section 1082 Basis Adjustment) and Instructions



Publication 4731

Screening Sheet for Foreclosures/Abandonments and Cancellation of Debt



NOTE: Only volunteers with a **Cancellation of Debt Certification** may assist taxpayers with Form(s) 1099-A and 1099-C issues.

Instructions: Use this Screening Sheet to assist in identifying taxpayers with cancellation of debt issues that are within the scope of the VITA/TCE Program.

- 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 Part III for taxpayers with Form 1099-C resulting from cancellation of credit card debt.

Part III – 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? 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.	YES – Go to Step 2 NO – Go to Step 6
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? Note: If the bankruptcy box is not checked but the taxpayer has subsequently filed bankruptcy, answer “yes.”	YES – Go to Step 6 NO – Go to Step 4
step 4	Was the taxpayer insolvent immediately before the cancellation of debt? 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.	YES – Go to Step 6 NO – Go to Step 5
step 5	The cancellation of nonbusiness credit card 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	These tax issues are outside the scope of the volunteer program. The taxpayer may qualify to exclude all or some of the discharged debt. However, the rules involved are complex. Refer the taxpayer to:	
	<ul style="list-style-type: none"> • www.irs.gov for the most up-to-date information. • An IRS Representative: 1-800-829-1040. • An IRS Taxpayer Assistance Center (TAC). • 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	
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 box checked (Life Events – Question #1)
- 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 when there are excess contributions. **Caution:** If excess is not withdrawn by due date of return then it is out-of-scope; refer the taxpayer to professional tax preparer.

Line 6 – Usually the same as the Line 5 calculated by 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. On 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 to the taxpayer 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 except insurance premiums. NO insurance premiums except Medicare, LTC (with limitations), or while receiving unemployment compensation or on COBRA. 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:

\$360 if under 40
\$680 if 41 - 50
\$1,360 if 51 - 60
\$3,640 if 61 - 70
\$4,550 if over 70.

Lines 16, 17b – If HSA distributions were not used for qualified medical expenses these lines must be completed. The tax software auto calculates these 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.



Publication 4885

Screening Sheet for Health Savings Accounts (HSAs)

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 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 – Go to Part II–HSA Distributions, Step 1

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
2 for qualified medical expenses in 2012 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.

Educator Expenses

Do not rely on this table alone. Refer to 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



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 your dependent, or a dependent when the loan was made• 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.

Tuition and Fees Deduction: see Tab J, Education Benefits

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.

Link to 1040 Wkt2 and insert the amount of educator expenses. Excess can be deducted on Sch A, Line 21.

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, from Form 1040 line 31a link to the Alimony Paid Worksheet. TaxWise will display the total for all alimony payments on line 31a.

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)

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

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.



Exhibit 1 – Standard Deduction for Most People*

This table provides the standard deduction amounts for tax year 2013.

If the taxpayer's filing status is...	Your standard deduction is ...
Single or married filing separate return	\$6,100
Married filing joint return or qualifying widow(er) with dependent child	\$12,200
Head of household	\$8,950

*Do not use this chart if the taxpayer was born before January 2, 1949, 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, 1949, or Who are Blind

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

You: Born before January 2, 1949 Blind

Your spouse, if claiming spouse's exemption: Born before January 2, 1949 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	\$7,600
	2	9,100
Married filing jointly or Qualifying widow(er) with dependent child	1	\$13,400
	2	14,600
	3	15,800
	4	17,000
Married filing separately	1	\$7,300
	2	8,500
	3	9,700
	4	10,900
Head of household	1	\$10,450
	2	11,950

*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, 1949 Blind

Your spouse, if claiming spouse's exemption: Born before January 2, 1949 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. _____ \$1000
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—\$6,100 <input type="checkbox"/> Married filing jointly—\$12,200 <input type="checkbox"/> Head of household—\$8,950	6. _____
7. Standard deduction. a. Enter the smaller of line 5 or line 6. If born after January 1, 1949, and not blind, stop here. This is your standard deduction. Otherwise, go on to line 7b. b. If born before January 2, 1949, or blind, multiply \$1,500 (\$1,200 if married) by the number in the box above. c. Add lines 7a and 7b. This is your standard deduction for 2013	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 \$3,900 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 2013 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, state or local general sales tax?

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 **this tax 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 12.



interview
tips

Interview Tips – Itemized Deductions (continued)

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 12.
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 12.
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 12.
step 10	Did you pay premiums in 2013 for qualified mortgage insurance for a home acquisition debt that was issued after 2006?	If YES, you can take a deduction for qualified mortgage insurance as home mortgage interest with AGI limitations. If NO, you cannot take a deduction for qualified mortgage insurance as home mortgage interest. Go to Step 12.
step 11	Did you pay points to obtain a home mortgage (on a main home or second home or home improvement loan or to refinance your home)?	If YES, follow the <i>Are My Points Fully Deductible This Year</i> flowchart in Publication 17 and then go to Step 12. If NO, go to Step 12. See note
step 12	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 13. If NO, go to Step 13.
step 13	Did you make a noncash donation to a qualified organization? Note: Generally the value of a donation is the lesser of your cost or fair market value.	If YES, advise the taxpayer that generally he or she must have a written receipt from that particular organization. Go to Step 14. If NO , Go to Step 15.
step 14	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 15	Do you have any employee 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, you can add in this year's portion of those prior year points.

Schedule A – Itemized Deductions

US Schedule A		Itemized Deductions	
Name:		SSN:	222-22-2222
Medical and Dental Expenses			
1	Unreimbursed medical and dental expenses	0.	
2	Amount from Form 1040, line 38	0.	
3	Multiply line 2 by 7.5%	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.

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 federal and state Estimated Taxes paid.

Always Link to sales tax, complete the worksheet, and the software will give the taxpayer the most beneficial deduction.

If taxpayer purchased home in tax year, they may not be able to deduct Real Estate Taxes (see Publication 17, Real Estate Taxes for more information).

Enter Vehicle License registration fee 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 2013, medical and dental ceiling percentage is 10% unless 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. List expenses not included on Form 2106 or 2106-EZ below. If you need more space, F9 to link to the statement. Do not include amounts from Form 2106 / 2106-EZ on the statement.
	Type Amount
	Line 21 amount for state returns 0.
22	Tax preparation fees TSJ: 0.
23	Other expenses - investment expense, safe deposit box, etc. Type Amount
	** TSJ: 0.
	TSJ: 0.
	**Schedules K-1 and Forms 4684 and 4797 amounts transfer here. If you are using a statement, check here <input type="checkbox"/> AND manually enter: 0. on the statement.
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. Line 27 amount for state returns 0.
Other Miscellaneous Deductions	
28	Type ***Amount TSJ: 0. 0.
	***Schedules K-1, Forms 4684, 4797, 2106, 2106EZ, and W2G losses add in here. If you are using a statement, check here <input type="checkbox"/> AND manually enter: 0. on the statement. Line 28 amount for state returns 0.
Total Itemized Deductions	
29	Total itemized deductions 0. Line 29 amount for state returns 0.
30	If you elect to itemize deductions even though they are less than the standard deduction, calculated from Form 1040, page 2 <input type="checkbox"/>

Link to Itemized Detail sheet from Sch A

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

Link to Form 2106 or Form 2106-EZ.

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); 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:

SSN: **222-22-2222**

If you need more worksheets, F9 on the additional worksheet entry in each category below.

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.

Medical miles: Taxpayer:
 Spouse:
 Total: x .23 =

Insurance premiums paid (not pre-tax) health, dental, cancer. Omit amounts used on Form 8885. Taxpayer <input type="text" value="0"/> Spouse <input type="text" value="0"/> <input type="text" value="0."/>	Medicare from 1040 worksheet <input type="text" value="0."/> Remainder from worksheets Self-employed health insurance Taxpayer <input type="text" value="0."/> Spouse <input type="text" value="0."/> <input type="text" value="0."/>	Qualified long term care contracts Enter the amount before limitation. Taxpayer <input type="text" value="0."/> Spouse <input type="text" value="0."/> Taxpayer - limited . <input type="text" value="0."/> Spouse - limited ... <input type="text" value="0."/> <input type="text" value="0."/>
Other medical expenses * <input type="text" value="0."/> <input type="text" value="0."/> <input type="text" value="0."/> <input type="text" value="0."/> <input type="text" value="0."/>	Self-employed long term care Taxpayer <input type="text" value="0."/> Spouse <input type="text" value="0."/> <input type="text" value="0."/> <input type="text" value="0."/> <input type="text" value="0."/> <input type="text" value="0."/> F9 for additional worksheets <input type="text" value="0."/> Total <input type="text" value="0."/>

Contributions to Charity If contributions exceed 20% of the AGI: , 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.

Itemized Deductions Detail Worksheet (continued)

Cash Contributions									
50% Limit Organizations				Charitable miles: Taxpayer: <input type="text" value="0"/> Spouse: <input type="text" value="0"/> Total: <input type="text" value="0"/> × .14 = <input type="text" value="0."/>					
Name of charity	*	Amount	Name of charity	*	Amount				
<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="0."/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="0."/>				
<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="0."/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="0."/>				
<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="0."/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="0."/>				
<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="0."/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="0."/>				
<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="0."/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="0."/>				
Total					<input type="text" value="0."/>				
From Schedules K-1				<input type="text" value="0."/>					
F9 for additional worksheets				<input type="text" value="0."/>					
Total				<input type="text" value="0."/>					
30% Limit Organizations				Charitable miles: Taxpayer: <input type="text" value="0"/> Spouse: <input type="text" value="0"/> Total: <input type="text" value="0"/> × .14 = <input type="text" value="0."/>					
Name of charity	*	Amount			Amount				
<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="0."/>			<input type="text" value="0."/>				
<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="0."/>			<input type="text" value="0."/>				
Total					<input type="text" value="0."/>				
From Schedules K-1					<input type="text" value="0."/>				
F9 for additional worksheets					<input type="text" value="0."/>				
Total					<input type="text" value="0."/>				
Other Than Cash Contributions Use Form 8283 if this total is more than \$500. <input type="text" value="0."/>									
50% Limit Organizations Not capital gain property and the FMV is equal to or less than the cost.									
Name of charity	*	Amount			Amount				
<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="0."/>			<input type="text" value="0."/>				
<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="0."/>			<input type="text" value="0."/>				
From Schedules K-1					<input type="text" value="0."/>				
Total					<input type="text" value="0."/>				
From Forms 8283					<input type="text" value="0."/>				
F9 for additional worksheets					<input type="text" value="0."/>				
Total					<input type="text" value="0."/>				
30% Limit Capital gain property donated to 50% limit organizations.									
<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="0."/>			<input type="text" value="0."/>				
From Schedules K-1					<input type="text" value="0."/>				
Total					<input type="text" value="0."/>				
From Forms 8283					<input type="text" value="0."/>				
Total					<input type="text" value="0."/>				
30% Limit Not capital gain property donated to 30% limit organizations.									
<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="0."/>			<input type="text" value="0."/>				
From Schedules K-1					<input type="text" value="0."/>				
Total					<input type="text" value="0."/>				
From Forms 8283					<input type="text" value="0."/>				
Total					<input type="text" value="0."/>				
20% Limit Capital gain property donated to 30% limit organizations.									
<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="0."/>			<input type="text" value="0."/>				
From Schedules K-1					<input type="text" value="0."/>				
Total					<input type="text" value="0."/>				
From Forms 8283					<input type="text" value="0."/>				
Total					<input type="text" value="0."/>				
Contribution Carryovers									
	From years 2007 through 2011				To 2013 tax year				
	Cash and other property		Capital gain property		Cash and other property		Capital gain property		
	50%	30%	30%	20%	50%	30%	30%	20%	
2007	<input type="text" value="0."/>	<input type="text" value="0."/>	<input type="text" value="0."/>	<input type="text" value="0."/>	<input type="text" value="0."/>	<input type="text" value="0."/>	<input type="text" value="0."/>	<input type="text" value="0."/>	
2008	<input type="text" value="0."/>	<input type="text" value="0."/>	<input type="text" value="0."/>	<input type="text" value="0."/>	<input type="text" value="0."/>	<input type="text" value="0."/>	<input type="text" value="0."/>	<input type="text" value="0."/>	
2009	<input type="text" value="0."/>	<input type="text" value="0."/>	<input type="text" value="0."/>	<input type="text" value="0."/>	<input type="text" value="0."/>	<input type="text" value="0."/>	<input type="text" value="0."/>	<input type="text" value="0."/>	
2010	<input type="text" value="0."/>	<input type="text" value="0."/>	<input type="text" value="0."/>	<input type="text" value="0."/>	<input type="text" value="0."/>	<input type="text" value="0."/>	<input type="text" value="0."/>	<input type="text" value="0."/>	
2011	<input type="text" value="0."/>	<input type="text" value="0."/>	<input type="text" value="0."/>	<input type="text" value="0."/>	<input type="text" value="0."/>	<input type="text" value="0."/>	<input type="text" value="0."/>	<input type="text" value="0."/>	
2012	<input type="text" value="0."/>	<input type="text" value="0."/>	<input type="text" value="0."/>	<input type="text" value="0."/>	<input type="text" value="0."/>	<input type="text" value="0."/>	<input type="text" value="0."/>	<input type="text" value="0."/>	
Contributions allowed this year									
50% of adjusted gross income						<input type="text" value="0."/>			
This year's 50% organization contributions allowed						<input type="text" value="0."/>		<input type="text" value="0."/>	
30% of adjusted gross income						<input type="text" value="0."/>			
This year's capital gain contributions to 50% organizations limited to 30%						<input type="text" value="0."/>		<input type="text" value="0."/>	
50% cash carryover allowed						<input type="text" value="0."/>		<input type="text" value="0."/>	
50% capital gain carryover limited to 30%						<input type="text" value="0."/>		<input type="text" value="0."/>	
This year's 30% organization cash and other property contributions allowed						<input type="text" value="0."/>		<input type="text" value="0."/>	
30% organizations cash and other property carryover						<input type="text" value="0."/>		<input type="text" value="0."/>	
20% of adjusted gross income						<input type="text" value="0."/>			
This year's capital gain contributions to 30% organizations limited to 20%						<input type="text" value="0."/>		<input type="text" value="0."/>	
30% capital gain carryover limited to 20% AGI						<input type="text" value="0."/>		<input type="text" value="0."/>	
Total contributions allowed this year						<input type="text" value="0."/>		<input type="text" value="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 home for business purposes.

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 amounts spent for food, beverages, taxes, and related tips. See <i>Meals</i> 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.
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>).



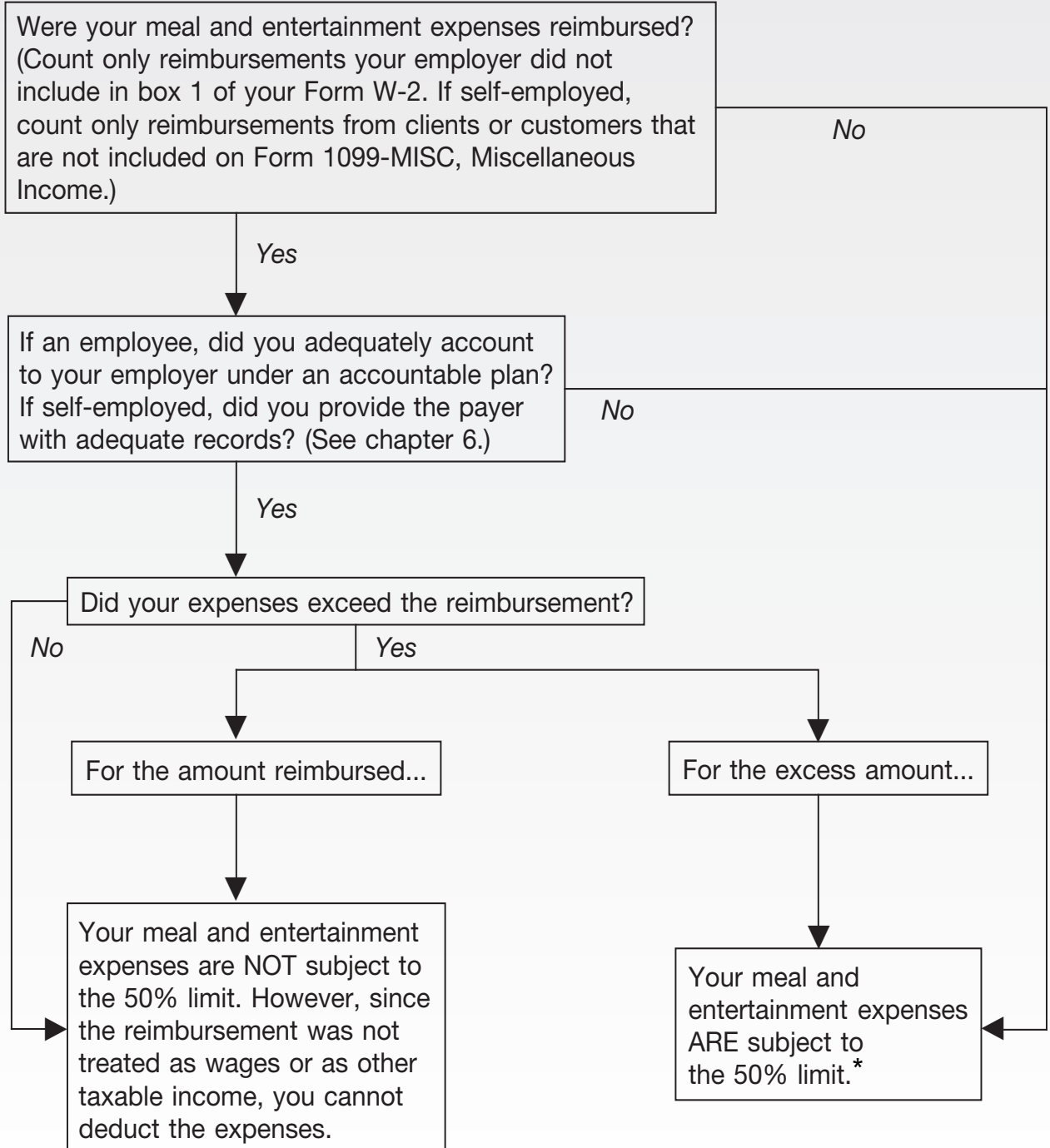
50% Limit

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

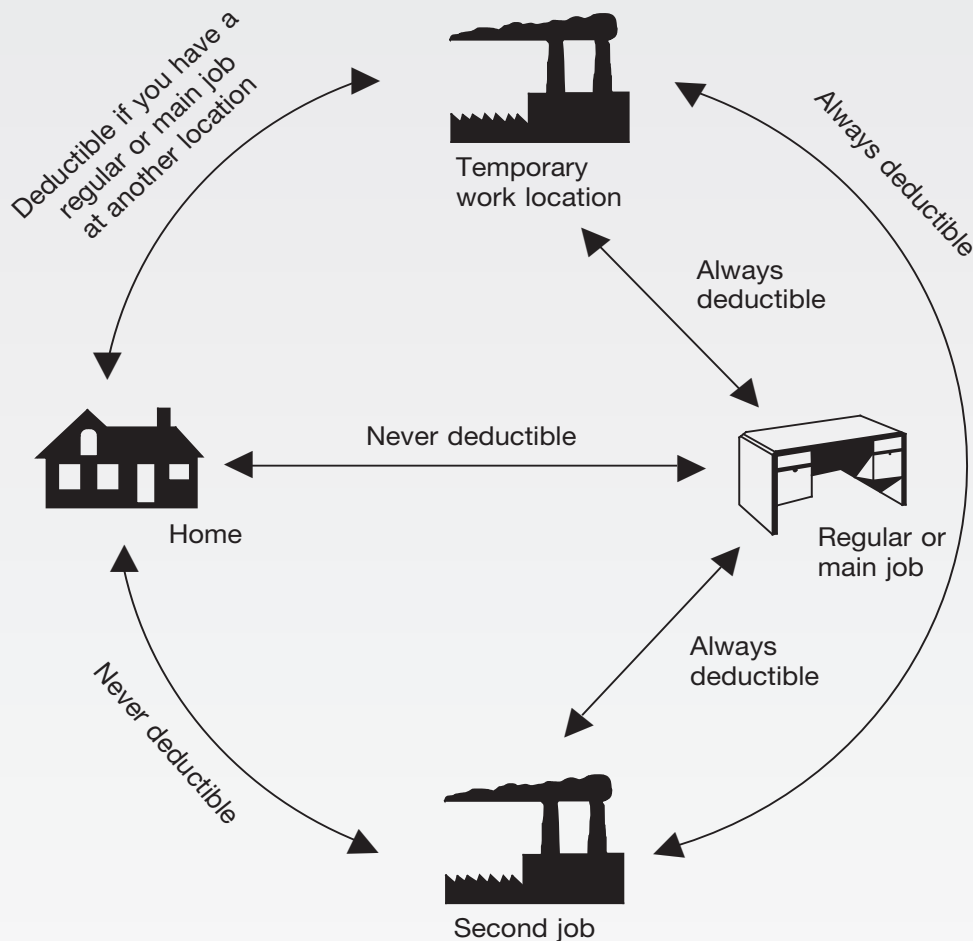


*50% limit for most taxpayers; 80% for those subject to Department of Transportation hours of service. See Publication 463 for more information.



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

US 1040		Page 2	
Name: <input style="width: 300px;" type="text"/>		SSN: 222-22-2222	
Taxable Income and Tax			
38	Amount from line 37 (adjusted gross income)		0.
39 a	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		11,900.
42	Exemptions. Multiply \$3,800 by the total number of exemptions on line 6d		-11,900.
43	Taxable income		3,800.
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	Add lines 44 and 45		0.

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

Nonrefundable Credits			
47	Foreign tax credit. Form 1116, if required	0.	
48	Credit for child and dependent care expenses. Form 2441	0.	
49	Education credits. Form 8863	0.	
50	Retirement savings contributions credit. Form 8880	0.	
51	Child tax credit. Schedule 8812	0.	
52	Residential energy credits. Form 5695	0.	
53	Other credits from Form . <input type="checkbox"/> 3800 <input checked="" type="checkbox"/> 8801 <input type="checkbox"/>	0.	
54	Total credits. Add lines 47 through 53		0.
55	Subtract line 54 from line 46		

Link to **Form 1116**, Foreign Tax Credit page 1, if required.

Link to **Form 2441**, page 1.

Link to **Form 8863**. See Education Benefits tab

Link to **Form 8880**.

See **Child Tax Credit Tip and Interview Tips**, later.

Link to **Sch R, Credit for the Elderly or Disabled Decision Tree**, later.

Hint: Remember, the nonrefundable credits cannot exceed the taxpayer's federal income.

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.

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.

Form 5695

Residential Energy Credits. Link to Form 5695, complete Part II. Maximum credit is limited to \$500 claimed for all taxable years. Part I is **out of scope**.

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.

Form 1116 – Foreign Tax Credit

US 1116		Foreign Tax Credit	
Name: <input style="width: 200px;" type="text"/>		SSN: 119-56-6900	
Simplified Limitation Election			
<p>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: <input style="width: 100px;" type="text"/> or 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.</p>			
Check only one box. Use a separate Form 1116 for each category of income.			
a <input type="checkbox"/> Passive category income		c <input type="checkbox"/> Section 901(j) income	
b <input type="checkbox"/> General category income		d <input type="checkbox"/> Income re-sourced by treaty	
e <input type="checkbox"/> Lump sum distributions			
f Resident of (name of country): <input style="width: 100px;" type="text"/>			
Part I: Taxable Income or Loss from Sources Outside United States for Category Above			
g Name of country or possession. Limit to 10 characters for printing.			
A <input style="width: 100px;" type="text"/>		C <input style="width: 100px;" type="text"/>	
B <input style="width: 100px;" type="text"/>			
1a Gross income from sources within country shown above.		Total	
Type: <input style="width: 100px;" type="text"/>			
Income other than capital gains		<input style="width: 100px;" type="text"/>	
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			

With Advanced certification, you may be able to claim the foreign tax credit by completing the Simplified Limitation Election section of Form 1116. If you cannot use the simplified election, Form 1116 is in-scope only for International 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.

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 foreign source income is not passive or the tax is greater than \$300 (\$600 if MFJ), complete Form 1116. Follow the instructions below:

- 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 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 physically or mentally 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 \$3,900 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 2013 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.

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.

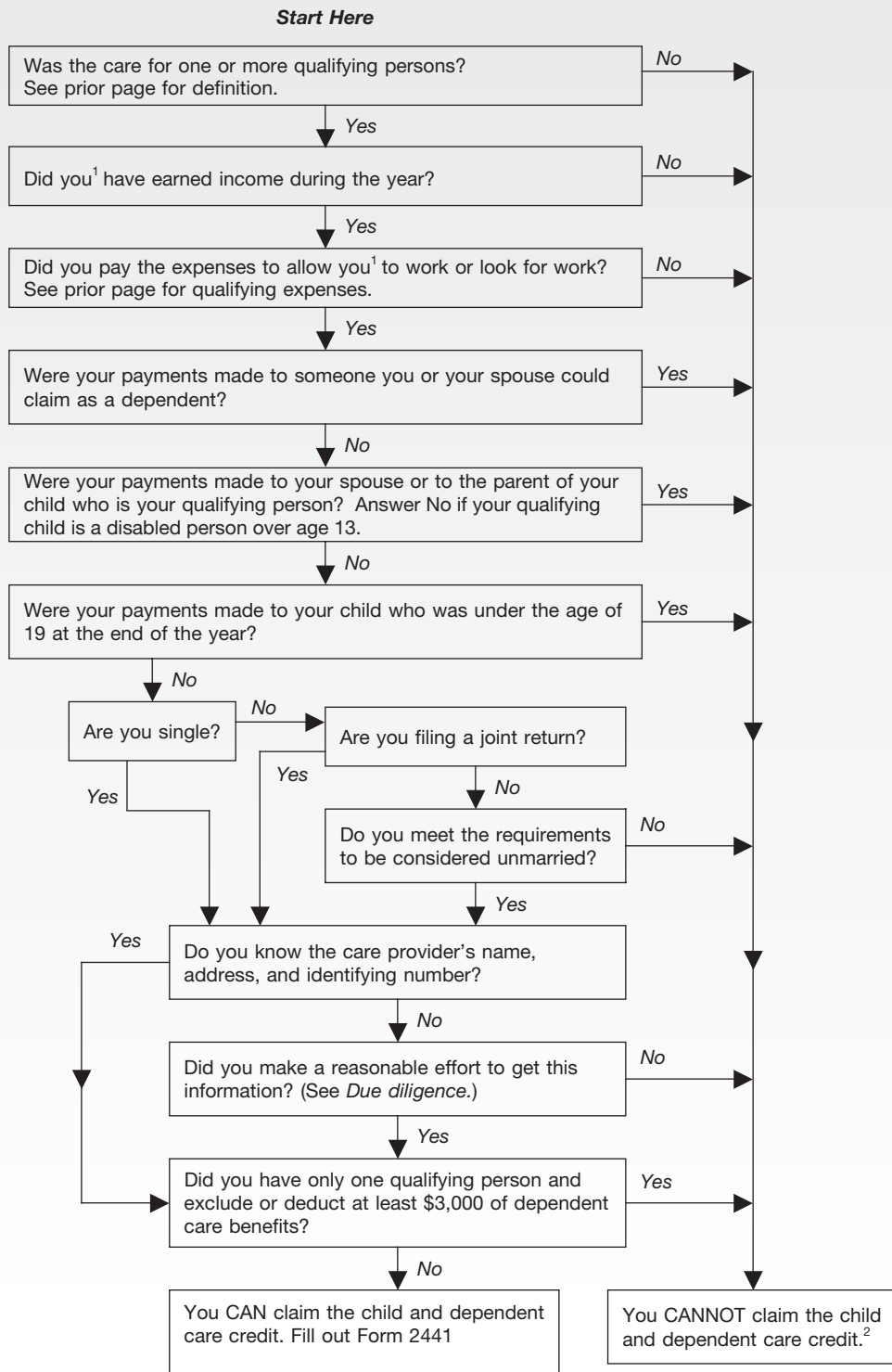
Caution: Only the custodial parent may claim the child and dependent care credit even if the child's exemption is being claimed by the non-custodial parent under the rules for divorced & separated parents.

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 your qualifying child turned 13 during the tax year, your 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, unless your spouse was disabled or full-time student.

² If you had expenses that met the requirements for 2012, except that you did not pay them until 2013, you may be able to claim those expenses in 2013.

Form 2441 – Credit for Child and Dependent Care Expenses

US 2441 Credit for Child and Dependent Care Expenses

Name: **JOHN SAMPLE** SSN: **111-11-1111**

Part I: Persons or Organizations Who Provided the Care

1 (a) Care provider's name	(b) Street address City, state, and Zip code	(c) ID number SSN or EIN	(d) Amount paid
Code: [REDACTED]	[REDACTED]	EIN? <input type="checkbox"/> Type: [REDACTED]	[REDACTED] 0.
Code: [REDACTED]	[REDACTED]	EIN? <input type="checkbox"/> Type: [REDACTED]	[REDACTED] 0.
Total of the line 1 amounts			[REDACTED] 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 2009. 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 . . . [REDACTED] 0.

(a) Qualifying person's name	(b) Social security number	(c) Qualified expenses * See below.
First name	Last name	
[REDACTED]	[REDACTED]	[REDACTED] 0.
[REDACTED]	[REDACTED]	[REDACTED] 0.
* Qualified expenses are those you incurred and PAID in 2009.		
Total of the line 2 amounts		[REDACTED] 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.

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.

Total of the line 2 amounts [REDACTED] 0.

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 [REDACTED] 0.

4 Your earned income [REDACTED] 0.

5 If married filing jointly, your spouse's earned income is entered. If your spouse was a student or disabled, see the worksheet below. All others, amount from line 4 [REDACTED] 0.

6 Smallest of lines 3, 4, or 5 [REDACTED] 0.

7 Amount from Form 1040, line 38, Form 1040A, line 22, or Form 1040NR, line 37 [REDACTED] 0.

8 Amount applicable to the amount on line 7 0.30
If you paid, in 2010, dependent care expenses incurred in a prior year, enter the amount of credit based on the rate that applied for that year [REDACTED] 0.
F9 here for a statement to explain the calculation of the credit for prior year expenses. List the qualifying person's name and SSN on the statement

9 Multiply line 6 by the decimal amount on line 8, plus prior year amounts shown above [REDACTED] 0.

10 Tax liability limit [REDACTED] 0.

11 Credit for child and dependent expenses. Smaller of line 9 or line 10 [REDACTED] 0.

Worksheet for Income Considered Earned by Disabled or Student Spouse

If you have 1 qualifying person \$250 x [REDACTED] months spouse was a student or disabled \$ [REDACTED] 0.	If you have two or more qualifying persons \$500 x [REDACTED] months spouse was a student or disabled \$ [REDACTED] 0.
--	---

Check if the care listed above was for a disabled spouse

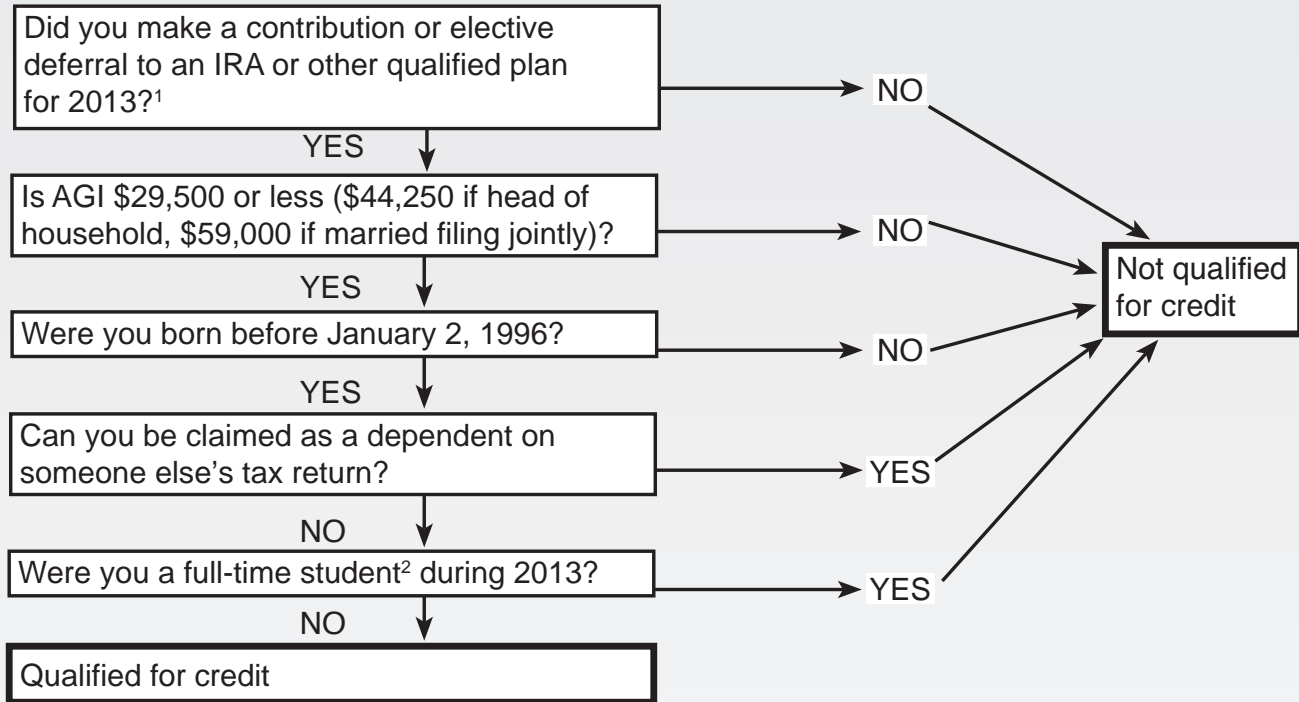
This facsimile form is not approved for filing directly to the IRS.
Print IRS form using "Print Return" or "Print Current Form".

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

Important: If 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 2013 by April 15, 2014.

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		(a) Taxpayer	(b) Spouse
Name: [Redacted] SSN: 222-22-2222			
Caution. You CANNOT claim this credit if EITHER of the following apply. <ul style="list-style-type: none"> • The adjusted gross income is more than \$20,750 (\$43,125 if head of household, \$57,500 if married filing jointly). • The person(s) who made the qualified contribution or elective deferral <ul style="list-style-type: none"> a. was born after January 1, 1995, b. was claimed as a dependent on someone's 2012 tax return, or c. was a full-time student in 2012. (see instructions) Was the taxpayer a full-time student in 2012? <input type="checkbox"/> Yes <input type="checkbox"/> No Was the spouse a full-time student in 2012? <input type="checkbox"/> Yes <input type="checkbox"/> No			
1 Traditional and Roth IRA contributions for 2012. Transfers from the IRA worksheet.		0.	0.
2 Elective deferrals to qualified plans. Forms W-2 and W-2GU, box 12, using codes D, E, F, G, H, S, AA, BB, EE, and box 14 amounts you marked.	0.	0.	0.
Self-employed retirement contributions.	0.	0.	0.
Other elective deferrals not included above.	0.	0.	0.
Elective deferrals to a 401(k) or other qualified employer plan and voluntary employee contributions, and 501(c)(18)(D) plan contributions for 2012. See instructions.	0.	0.	0.
3 Add lines 1 and 2. If you do not qualify, this line will not total.	0.	0.	0.
4 Total of all Roth IRA distributions, plus all taxable distributions from other qualified retirement plans, that were made after 2009 and before the due date (including extensions) of your 2012 tax return. Forms 1099R with the IRA box marked or has a code of 1, S, J, Q, or T included in this tax return. Other distributions received. 2010 distributions. Did the taxpayer and spouse file married filing jointly in 2010? <input type="checkbox"/> Yes <input type="checkbox"/> No. 2011 distributions. Did the taxpayer and spouse file married filing jointly in 2011? <input type="checkbox"/> Yes <input type="checkbox"/> No. 2012 distributions before the due date of this tax return, including extensions. Total other distributions: F3 if -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.	0.
5 Subtract line 4 from line 3. If -0- or less, enter -0-.	0.	0.	0.
6 Smaller of line 5 or \$2,000.	0.	0.	0.
7 Add amounts on line 6. If -0-, STOP; you cannot take this credit.	0.	0.	0.
8 Federal adjusted gross income plus excluded amounts from Forms 2555, 2555EZ, 4563, and excluded Puerto Rico income.	0.	0.	0.
9 Applicable decimal amount.		x 0.500	0.
10 Multiply line 7 by line 9.			0.
11 Amount from Form 1040, line 46; Form 1040A, line 28; or Form 1040NR, line 44.	0.	0.	0.
12 1040 filers. Total credits from lines 47 through 49, and Schedule R, line 22. 1040A filers. Total credits from lines 29 through 31. 1040NR filers. Total credits from lines 45 and 46.	0.	0.	0.
13 Subtract line 12 from line 11. If -0-, STOP; you cannot take this credit.	0.	0.	0.
14 Credit for qualified retirement savings contributions. Smaller of line 10 or line 13.	0.	0.	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 2010 and before the due date (including extensions) of your 2013 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 as defined in section 4974(c) (including the federal Thrift Savings Plan).

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

Use the worksheet in Form 1040 Instruction booklet.

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 of the United States.
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) if you care for the individual as your own child.
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 A, Exemption, and the worksheet in the instruction booklets 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 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.	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, Residential energy efficient property 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 2013 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.

Note: current tax year reference applies to tax year 2013.



Residential Energy Credits

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

- Nonbusiness energy property credit is extended for tax years 2012 and 2013.
- 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.

Please 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.

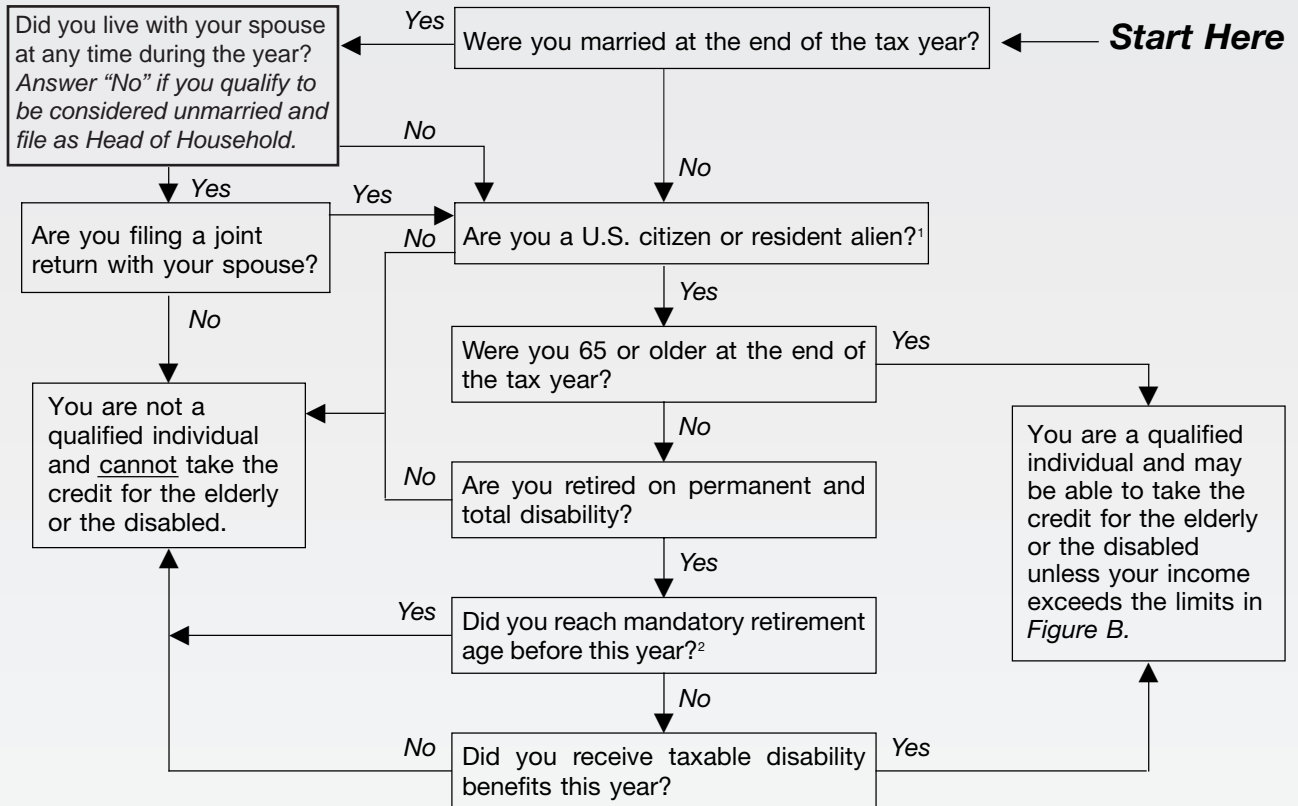
Part I, Form 5695 - Key points about the Residential Energy Efficient Property Credit:

- This credit is taken on Part I, Form 5695. This part of the form is out of scope for return preparation in the volunteer program. Taxpayers that have these expenses should be referred to a professional tax preparer.
- The credit is available to help individual taxpayers pay for qualified residential alternative energy equipment, such as solar hot water heaters, geothermal heat pumps and wind turbines.

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 Figure A), 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 Figure A	\$25,000	\$7,500
married filing a joint return and only one spouse qualifies in Figure A	\$20,000	\$5,000
married filing a separate return	\$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.

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			
56	Self-employment tax	<input type="checkbox"/> Form 4029	<input type="checkbox"/> Form 4361
57	Social security \ Medicare tax from	<input type="checkbox"/> Form 4137	<input type="checkbox"/> Form 8919
58	Additional tax on IRAs, other qualified retirement plans, etc	<input type="checkbox"/> Exempt Notary	<input type="checkbox"/> RRTA
59	Additional taxes		
a	<input type="checkbox"/> Advance earned income credit payments		
b	<input type="checkbox"/> Household employment taxes. Schedule H		
c	<input type="checkbox"/> Repayment of first-time homebuyer credit. Form 5405		
	Other taxes	UT: 0.0	MSA: 0.0
		EPP: 0.0	453A (C): 0.0
		ADT: 0.0	4255: 0.0
		IECR: 0.0	8834: 0.0
		MEDMSA: 0.0	8697: 0.0
		ECCFR: 0.0	HSA: 0.0
		453 (I) 3: 0.0	1260 (B): 0.0
		HDHP: 0.0	HCTC: 0.0
		8936: 0.0	AMVCR: 0.0
		Form 8693 attached for Form 8611. Enter date approved:	
		Write-in:	
60	Total tax. Add lines 55 through 59		0.0

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 death See Form 8889.

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. Use F1 to see Form 5329 Line 2 exception codes and possibly eliminate the penalty. Form 5329 for additional information.

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 complete Form 5405, Part II.

Additional Taxes – out-of-scope with exception of HSA distribution not used for qualified medical expenses.

Form 5329

US 5329 Additional Taxes on Qualified Plans and Other Favored Accounts		
Name:	SSN: 222-22-2222	
Check if filing this form by itself and not with your tax return <input type="checkbox"/>		
Address: [REDACTED]		
City, state, Zip code: [REDACTED]		
Foreign country and state: [REDACTED]		
Foreign postal code: [REDACTED]		
Check if amended: <input type="checkbox"/>		
Part I: Additional Tax on Early Distributions Part-year resident state: [REDACTED]		
1	Early distributions included in income	0.0
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	0.0
3	Amount subject to additional tax	0.0
4	Additional tax. 10% of line 3. SIMPLE plans are taxed at 25% instead of 10%. Distribution from SIMPLE plans shown on Forms 1099R	0.0
Part II: Additional Tax on Certain Distributions From Education Accounts		
5	Distributions included in income from Coverdell ESAs and GTPs. Transferred from 1040 Worksheet 2	0.0
6	Distributions included on line 5 that are not subject to the additional tax	0.0
7	Amount subject to additional tax	0.0
8	Additional tax. 10% of line 7	0.0
Part III: Additional Tax on Excess Contributions to Traditional IRAs		
9	Excess contributions from line 16 of your 2011 Form 5329	0.0
10	If your traditional IRA contributions for 2012 are less than your maximum allowable contribution, see instructions	0.0
11	2012 traditional IRA distributions included in income	0.0
12	2012 distributions of prior year excess contributions	0.0
13	Add lines 10, 11, and 12	0.0
14	Prior year excess contributions	0.0
15	Excess contributions for 2012	0.0
16	Total excess contributions	0.0
17	Additional tax due. 6% of the smaller of line 16 or the value of your traditional IRAs on December 31, 2012 (including 2012 contributions made in 2013). Enter the value of your traditional IRAs on December 31, 2012	0.0
Part IV: Additional Tax on Excess Contributions to Roth IRAs		
18	Excess contributions from line 24 of your 2011 Form 5329	0.0
19	If your Roth IRA contributions for 2012 are less than your maximum contribution limit for traditional IRAs, enter the difference	0.0
20	2012 distributions from Roth IRAs	0.0
21	Add lines 19 and 20	0.0
22	Prior year excess contributions	0.0
23	Excess contributions for 2012	0.0
24	Total excess contributions	0.0
25	Additional tax due. 6% of the smaller of line 24 or the value of your Roth IRAs on December 31, 2012 (including 2012 contributions made in 2013). Enter the value of your Roth IRAs on December 31, 2012	0.0

Enter exception code and amount not subject to additional tax

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) 7.5% 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		
61	Federal income tax withheld	0.
	Enter Federal withholding from 1099s (1099B, etc)	0.
62	2010 estimated tax payments and amount applied from 2009 return	0.
	If estimated tax was paid in joint names and you are now divorced, enter ex-spouse's SSN: and check here <input type="checkbox"/>	
63	Making work pay credit. Attach Schedule M	0.
64 a	Earned income credit No: <input type="checkbox"/>	0.
b	Nontaxable combat pay election	0.
65	Additional child tax credit. Form 8812	0.
66	American opportunity credit. Form 8863	0.
67	First-time homebuyer credit. Form 5405	0.
68	Amount paid with request for extension of time to file	0.
69	Excess social security and tier 1 RRTA tax withheld	0.
70	Credit for Federal tax on fuels. Form 4136	0.
71	Credits from Form . . . <input type="checkbox"/> 2439 <input type="checkbox"/> 8839 <input type="checkbox"/> 8801 <input type="checkbox"/> 8885	0.
	From Form 8889	0.
72	Total payments. Add lines 61 through 71	0.

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.

2013 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 –

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 above the current year’s limit (\$3,000 for 2013). 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)

Refund		
73	Amount overpaid	0.
74	Amount to be refunded	0.
If Form 8888 is attached, check here <input type="checkbox"/>		
Direct Deposit Routing number: [REDACTED] Checking: <input type="checkbox"/> Savings: <input type="checkbox"/>		
Account number: [REDACTED]		
75	Amount to be applied to 2011 estimated tax	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 2014 Estimated Tax –

Link to New Scratch Pad to designate estimated payment amount.

Amount You Owe		
76	Amount you owe	0.
77	Estimated tax penalty included on line 76	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 ■ 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* ■ 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



Common EIC Filing Errors

- Claiming a child who is not a qualifying child
- Married taxpayers incorrectly filing as a single or head of household
- Incorrectly reporting income, particularly self employment income
- Incorrect social security numbers

***Note:** This particular income is subtracted from the earned income on the EIC Worksheet in the section titled EIC.



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.	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 \$3,300 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:

- \$46,227 (\$51,567 for married filing jointly) if you have three or more qualifying children,
- \$43,038 (\$48,378 for married filing jointly) if you have two qualifying children,
- \$37,870 (\$43,210 for married filing jointly) if you have one qualifying child, or
- \$14,340 (\$19,680 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 attached to the return of 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.



interview
tips

EIC General Eligibility Rules

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"> • \$46,227 (\$51,567 married filing jointly) with three or more qualifying children; • \$43,038 (\$48,378 married filing jointly) with two qualifying children; • \$37,870 (\$43,210 married filing jointly) with one qualifying child; or • \$14,340 (\$19,680 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 \$3,300?</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>



EIC with a Qualifying Child

interview tips

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 2013) 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 2013, 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 2013. 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 2013.
- 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 2013.
- 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 2013, 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.

Schedule EIC

US Schedule EIC		Earned Income Credit																																														
Name: <input style="width: 300px;" type="text"/>		SSN: 222-22-2222																																														
<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> <th style="width: 20px;"></th> </tr> <tr> <td>son, daughter</td> <td style="text-align: center;">A</td> </tr> <tr> <td>adopted child,</td> <td style="text-align: center;">H</td> </tr> <tr> <td>stepchild,</td> <td style="text-align: center;">D</td> </tr> <tr> <td>grandchild</td> <td style="text-align: center;">^</td> </tr> <tr> <td>sister, brother,</td> <td style="text-align: center;">^</td> </tr> <tr> <td>niece, nephew</td> <td style="text-align: center;">^</td> </tr> <tr> <td>* or foster child</td> <td style="text-align: center;">^</td> </tr> </table>	Is YOUR		son, daughter	A	adopted child,	H	stepchild,	D	grandchild	^	sister, brother,	^	niece, nephew	^	* or foster child	^	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: center;">was (on December 31, 2012)</th> <th style="width: 20px;"></th> </tr> <tr> <td style="text-align: center;">under age 19</td> <td style="text-align: center;">A</td> </tr> <tr> <td style="text-align: center;">or</td> <td style="text-align: center;">H</td> </tr> <tr> <td style="text-align: center;">under age 24 and a full-time student</td> <td style="text-align: center;">D</td> </tr> <tr> <td style="text-align: center;">or</td> <td style="text-align: center;">^</td> </tr> <tr> <td style="text-align: center;">any age and permanently and totally disabled</td> <td style="text-align: center;">^</td> </tr> </table>	was (on December 31, 2012)		under age 19	A	or	H	under age 24 and a full-time student	D	or	^	any age and permanently and totally disabled	^	<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 2012</td> </tr> </table>	who	lived with you in your home in the United States for more than 6 months in 2012																
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son, daughter	A																																															
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lived with you in your home in the United States for more than 6 months in 2012																																																
<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 2012 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] 0	[REDACTED] 0	[REDACTED] 0																																													
<p>If the child(ren) was born after 1993 and the child(ren) was YOUNGER THAN YOU (OR YOUR SPOUSE IF FILING JOINTLY), skip lines 4a and 4b; go to line 5.</p>																																																
<p>4a Was the child under age 24 at the end of 2012 a student, and younger than you (or your spouse if filing jointly)? If "Yes", go to line 5.</p> <p>b Was the child permanently and totally disabled during 2012? ...</p> <p>5 Child's relationship to you</p> <p>6 Number of months the child lived with you in the U.S. during 2012 If the child was a "kidnapped child", enter "KC" in the appropriate column</p>	<table style="width: 100%;"> <tr> <td style="text-align: center;"><input type="checkbox"/> Yes <input type="checkbox"/> No</td> <td style="text-align: center;"><input type="checkbox"/> Yes <input type="checkbox"/> No</td> <td style="text-align: center;"><input type="checkbox"/> Yes <input type="checkbox"/> No</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/> Yes <input type="checkbox"/> No</td> <td style="text-align: center;"><input type="checkbox"/> Yes <input type="checkbox"/> No</td> <td style="text-align: center;"><input type="checkbox"/> Yes <input type="checkbox"/> No</td> </tr> <tr> <td style="text-align: center;">[REDACTED]</td> <td style="text-align: center;">[REDACTED]</td> <td style="text-align: center;">[REDACTED]</td> </tr> <tr> <td style="text-align: center;">[REDACTED]</td> <td style="text-align: center;">[REDACTED]</td> <td style="text-align: center;">[REDACTED]</td> </tr> <tr> <td style="text-align: center;">[REDACTED]</td> <td style="text-align: center;">[REDACTED]</td> <td style="text-align: center;">[REDACTED]</td> </tr> </table>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	<table style="width: 100%;"> <tr> <td style="text-align: center;"><input type="checkbox"/> Yes <input type="checkbox"/> No</td> <td style="text-align: center;"><input type="checkbox"/> Yes <input type="checkbox"/> No</td> <td style="text-align: center;"><input type="checkbox"/> Yes <input type="checkbox"/> No</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/> Yes <input type="checkbox"/> No</td> <td style="text-align: center;"><input type="checkbox"/> Yes <input type="checkbox"/> No</td> <td style="text-align: center;"><input type="checkbox"/> Yes <input type="checkbox"/> No</td> </tr> <tr> <td style="text-align: center;">[REDACTED]</td> <td style="text-align: center;">[REDACTED]</td> <td style="text-align: center;">[REDACTED]</td> </tr> <tr> <td style="text-align: center;">[REDACTED]</td> <td style="text-align: center;">[REDACTED]</td> <td style="text-align: center;">[REDACTED]</td> </tr> <tr> <td style="text-align: center;">[REDACTED]</td> <td style="text-align: center;">[REDACTED]</td> <td style="text-align: center;">[REDACTED]</td> </tr> </table>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	<table style="width: 100%;"> <tr> <td style="text-align: center;"><input type="checkbox"/> Yes <input type="checkbox"/> No</td> <td style="text-align: center;"><input type="checkbox"/> Yes <input type="checkbox"/> No</td> <td style="text-align: center;"><input type="checkbox"/> Yes <input type="checkbox"/> No</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/> Yes <input type="checkbox"/> No</td> <td style="text-align: center;"><input type="checkbox"/> Yes <input type="checkbox"/> No</td> <td style="text-align: center;"><input type="checkbox"/> Yes <input type="checkbox"/> No</td> </tr> <tr> <td style="text-align: center;">[REDACTED]</td> <td style="text-align: center;">[REDACTED]</td> <td style="text-align: center;">[REDACTED]</td> </tr> <tr> <td style="text-align: center;">[REDACTED]</td> <td style="text-align: center;">[REDACTED]</td> <td style="text-align: center;">[REDACTED]</td> </tr> <tr> <td style="text-align: center;">[REDACTED]</td> <td style="text-align: center;">[REDACTED]</td> <td style="text-align: center;">[REDACTED]</td> </tr> </table>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
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<p>This facsimile form is not approved for filing directly to the IRS. Print IRS form using "Print Return" or "Print Current Form".</p>																																																

Caution: Only answer 4a or 4b. DO NOT ANSWER BOTH QUESTIONS.

Schedule EIC – Worksheet

US Schedule EIC	Earned Income Credit Worksheet
Name: <input style="width: 80%;" type="text"/>	SSN: 222-22-2222

COMPLETE ONLY THOSE QUESTIONS IN RED

Questions to see if you can claim the earned income credit

- 1 Is the taxpayer's filing status married filing separately?
 Yes - STOP. You cannot take the credit No - Go to question 2.
- 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.
 No - STOP. You cannot take the credit Yes - Go to question 3.
- 3 Is the taxpayer filing Form 2555 or Form 2555-EZ or excluding foreign income?
 Yes - STOP. You cannot take the credit No - Go to question 4a.
- 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.
 Yes - go to question 4b No - Go to question 5.
- 4b Is the taxpayer's filing status married filing jointly?
 No - STOP. You cannot take the credit Yes - Go to question 5.
 If you checked "Yes" on line 4a and "No" on line 4b, STOP; the taxpayer cannot take the EIC.
- 5 Is the taxpayer's investment income
 Yes - STOP. You cannot take the credit No - Go to question 6.
- 6 Could the taxpayer, or the taxpayer's spouse if filing jointly, be a **qualifying child** of another person?
 Yes - STOP. You cannot take the credit No - Continue.

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 on the TaxWise EIC Worksheet in the section titled Figure your Credit. TaxWise will subtract this amount from other earned income.

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 . . .	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
7 Is either of the following true? <ul style="list-style-type: none"> ▪ The child is unmarried OR ▪ The child is married and can be claimed as the taxpayer's dependent and is not filing a 2012 joint return (or is filing it only as a claim for refund) <input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
8 Did the child live with the taxpayer in the United States for over half of the year?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
9a Could any other person claim this child for EIC? If "Yes", continue.	<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 Enter the child's relationship to the other person(s)	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>
c Is the other person(s) claiming the EIC based on the child?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
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.	<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
10 Does the qualifying child have an SSN that allows him or her to work or is valid for EIC purposes? See the explanation on line 2 for valid SSNs.	<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

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.

If you took EIC on your 2011 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 2011 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 \$36,920 (\$42,130 if married filing jointly) if you have one qualifying child; \$41,952 (\$47,162 if married filing jointly) if you have two qualifying children; \$45,060 (\$50,270 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.

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**¹ at an eligible educational institution.

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).

¹You 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.

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 (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. _____

Highlights of Education Tax Benefits for Tax Year 2013

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	Tuition and Fees Deduction	Coverdell ESA ¹	Qualified Tuition Program (QTP) ¹	Education Exception to Additional Tax on Early IRA Distributions ¹	Education Savings Bond Program ¹	Employer-Provided Educational Assistance ¹	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	Can deduct expenses	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	\$4,000 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	None	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

	Scholarships, Fellowships, Grants, and Tuition Reductions	American Opportunity Credit	Lifetime Learning Credit	Student Loan Interest Deduction	Tuition and Fees 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 education qualifies?	Undergraduate & graduate K-12	Undergraduate and graduate	Undergraduate & graduate Courses to acquire or improve job skills	Undergraduate & graduate	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	Cannot claim both deduction & education credit for same student in same year	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 present 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	\$53,000 – \$63,000 \$107,000 – \$127,000 for joint returns	\$60,000 – \$75,000 \$125,000 – \$155,000 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	\$74,700 – \$89,700 \$112,050 – \$142,050 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 for first 4 years of post secondary education, cannot be claimed more than 4 tax years	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 an undergraduate 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 \$53,000 and \$63,000 (\$107,000 and \$127,000 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 as a dependent 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: Even if the student's post-secondary education extends beyond four tax years; the American Opportunity credit is available for only four years



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
- Taxpayers 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 and the nonresident alien did not elect to be treated as a resident alien for tax purposes

What Expenses Qualify?

- Expenses paid for an academic period starting in 2013 or the first 3 months of 2014
- 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" were 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. However, whether an expenditure for a computer qualifies for the credit depends on the facts. An expenditure for a computer would qualify for the credit if the computer is needed as a condition of enrollment or attendance at the educational institution.

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).

Tuition and Fees Deduction at a Glance

Do not rely on this table alone. Refer to the text for 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.

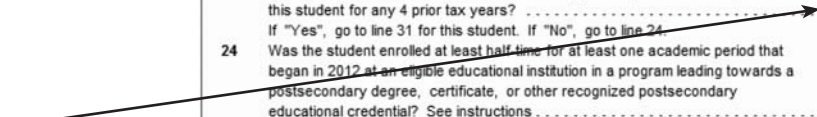
Form 8863 – Education Credits

For both Education credits, enter qualified student's name, SSN, and qualified expenses; software will calculate the credit.



If the taxpayer was under age 24 at the end of the year and met the conditions in the Form 8863 instructions, they cannot take the refundable American Opportunity credit.

Do not check "yes" if the credit has not been claimed a total of 4 times.



US 8863 (2012)		Page 2
Name:	John TaxPayer	SSN: 111-00-1111
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	_____
21	Student's social security number	_____
22	Educational institution information	
a	Name of first educational institution	
1	Address	
	Zip code, city, and state	
2	Did the student receive Form 1098-T from this institution for 2012? <input type="checkbox"/> Yes <input type="checkbox"/> No	
3	Did the student receive Form 1098-T from this institution for 2011 with Box 2 filled in and Box 7 checked? <input type="checkbox"/> Yes <input type="checkbox"/> No	
4	If you checked "Yes" in 2 or 3, enter the institution's EIN from Form 1098-T	
b	Name of second educational institution, if any	
1	Address	
	Zip code, city, and state	
2	Did the student receive Form 1098-T from this institution for 2012? <input type="checkbox"/> Yes <input type="checkbox"/> No	
3	Did the student receive Form 1098-T from this institution for 2011 with Box 2 filled in and Box 7 checked? <input type="checkbox"/> Yes <input type="checkbox"/> No	
4	If you checked "Yes" in 2 or 3, enter the institution's EIN from Form 1098-T	
23	Has the Hope Scholarship Credit or American opportunity credit been claimed for this student for any 4 prior tax years? If "Yes", go to line 31 for this student. If "No", go to line 24.	<input type="checkbox"/> Yes <input type="checkbox"/> No
24	Was the student enrolled at least half time for at least one academic period that began in 2012 at an eligible educational institution in a program leading towards a postsecondary degree, certificate, or other recognized postsecondary educational credential? See instructions. If "Yes", go to line 25. If "No", go to line 31 for this student.	<input type="checkbox"/> Yes <input type="checkbox"/> No
25	Did the student complete the first 4 years of postsecondary education before 2012? If "Yes", go to line 31 for this student. If "No", go to line 26.	<input type="checkbox"/> Yes <input type="checkbox"/> No
26	Was the student convicted, before the end of 2012, of a felony for possession or distribution of a controlled substance? If "Yes", go to line 31. If "No", complete either lines 27 through 30 OR 31 for this student.	<input type="checkbox"/> Yes <input type="checkbox"/> No
American Opportunity Credit		
27	Adjusted qualified education expenses. See instructions - do not enter more than \$4,000	0.
28	Subtract \$2,000 from line 27, but not less than -0-	0.
29	Multiply line 28 by 25%	0.
30	If line 28 is -0-, amount from line 27. Otherwise, add \$2,000 to the amount on line 29. Skip line 31	0.
Lifetime Learning Credit		
31	Adjusted qualified education expenses. See instructions	0.
This facsimile form is not approved for filing directly to the IRS. Print IRS form using "Print Return" or "Print Current Form".		

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.

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 **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 **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).

TONY MAPLE
JENNIFER MAPLE
123 Pear Lane
Anyplace, GA 00000

PAY TO THE ORDER OF _____ \$ 1234
DOLLARS

ANYPLACE BANK
Anyplace, GA 00000

For _____

①: 250250025 | 20202086 • 1234

Routing number (line 74b)

Account number (line 74d)

Do not include the check number.

Note: The routing and account numbers may be in different places on the check.

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: Do not use deposit slip as proof of account because the routing number may be different than on a check.

Note: This information only applies to federal balance due returns. For state information, consult the applicable state .

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)	2010
Name: Jane Sample		SSN: 111-11-1111
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 Western Union MoneyWise card was selected on the Main Information Sheet, enter the amount to be applied to the MoneyWise card on line 1.		
1 a	Amount to be deposited to first account	0.
b	Routing number	
c	Checking: <input type="checkbox"/> Savings: <input type="checkbox"/>	
d	Account number	
2 a	Amount to be deposited to second account	0.
b	Routing number	
c	Checking: <input type="checkbox"/> Savings: <input type="checkbox"/>	
d	Account number	
3 a	Amount to be deposited to third account	0.
b	Routing number	
c	Checking: <input type="checkbox"/> Savings: <input type="checkbox"/>	
d	Account number	
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.		
4	Amount to be used for bond purchases for yourself (and your spouse, if filing jointly)	0.
5 a	Amount to be used to buy bonds for yourself, your spouse, or someone else	0.
b	Enter the owner's name below (First Last) for the bond registration.	
c	If you would like to add a co-owner or beneficiary, enter their name below (First Last). If beneficiary, also check here <input type="checkbox"/>	
6 a	Amount to be used to buy bonds for yourself, your spouse, or someone else	0.
b	Enter the owner's name below (First Last) for the bond registration.	
c	If you would like to add a co-owner or beneficiary, enter their name below (First Last). If beneficiary, also check here <input type="checkbox"/>	
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	0.
	The amount on line 8 MUST equal the Federal refund amount here	2,456.
This facsimile form is not approved for filing directly to the IRS. Print IRS form using "Print Return" or "Print Current Form".		

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 for: Direct deposit: E-filing, paper returns, RAL/ERC direct deposit refund, or Electronic Funds Transfer (ACH Debit) available for E-filing only.
Routing transit number (RTN) of financial institution Account number (DAN) including hyphens

Balance Due Returns (amount owed on return)

(See 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. Check or money order payments

- Do not attach the payment to the return.
- Make check or money order **payable to "United States Treasury."**
- On checks, write "2013 Form 1040" in the memo or "For" section.
- Write name, address, daytime phone number, and SSN/ITIN on the payment.
- If filing a joint return, enter the SSN/ITIN shown first on the return.
- Submit the payment with a properly completed Form 1040V, *Payment Voucher*.
- No cash payments

2. Credit card payments

- American Express, Discover, Mastercard, or Visa cards are accepted.
- A convenience fee will be charged by the service providers:

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

RBS WorldPay, Inc.

1-888-9-PAY-TAX™ (1-888-972-9829)

1-877-517-4881 (Customer Service)

www.payUSAtax.com

- Visit IRS.gov/E-pay or call service provider for details.

3. 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/1040ES on page K-5.

4. 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 or call EFTPS Customer Service at 1-800-316-6541 (for individual payments). TTY/TDD help is available by calling 1-800-733-4829.

What if the taxpayer cannot pay?

- The taxpayer can request a **Full Pay Within 60 or 120 day Agreement**. There is no user fee, but penalty and interest are charged for any amount paid after the April filing due date.
- The taxpayer may ask to make monthly installment payments by completing Form 9465, **Installment Agreement Request**. Penalty and interest are charged on any amount paid after the April filing due date. A fee is charged if the request for an installment agreement is granted. Form 9465 can be e-filed with the tax return.

For more information taxpayers can go online to the IRS website at www.irs.gov for the Online Payment Agreement (OPA), Enter keyword search: OPA.

Balance Due Returns (amount owed on return) (cont.)

- 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).

How can a taxpayer avoid a balance due in the future?

- If the taxpayer did not have enough withheld from his/her paycheck or pension income and there is amount owed on the current return:
 - Advise the taxpayer to review Publication 919, How Do I Adjust My Tax Withholding? or on the internet the taxpayer can 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 www.irs.gov or by calling the IRS at 1-800-829-3676.

Form ACH 1040/ES

Direct Debit for Balance Due or Estimated Tax Payment

US	Direct Debit for Balance Due or Estimated Tax Payment	2012
Name: <input style="width: 80%;" type="text" value="John TaxPayer"/> SSN: 111-00-1111		
This worksheet is for electronic funds transfer (direct debit) of 2012 income tax balance due: <input type="checkbox"/> OR 2013 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 2013 estimated tax payment or you want direct debit for more than one 2013 estimated tax payment, you must make a separate worksheet for each. Shift F10 will duplicate this worksheet.		
For The Balance Due On Your 2012 Tax Return		
Amount of tax due: <input style="width: 50%;" type="text" value="0."/> Amount you want debited: <input style="width: 50%;" type="text" value="0."/>		
Routing number: <input style="width: 20%;" type="text"/> Checking <input type="checkbox"/> Savings <input type="checkbox"/>		
Account number: <input style="width: 60%;" type="text"/>		
For accuracy, rekey the routing number and account number on the Main Information Sheet.		
Requested payment date <input style="width: 20%;" 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, 2013.		
This is today's date: 07/24/2013		
For 2013 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 2013 estimated tax payment <input style="width: 50%;" type="text" value="0."/>		
Routing number: <input style="width: 20%;" type="text"/> Checking: <input type="checkbox"/> Savings: <input type="checkbox"/>		
Account number: <input style="width: 60%;" type="text"/>		
Account information above is not verified by Taxwise.		
Requested payment date <input style="width: 20%;" type="text"/>		
For a first quarter payment, use 04/15/2013.		
For a second quarter payment, use 06/17/2013.		
For a third quarter payment, use 09/16/2013.		
For a fourth quarter payment, use 01/15/2014.		
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.

Complete Form ACH 1040/ES, Direct Debit for Balance Due or Estimated Tax Payment.

- Click 2013 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, 2014
 - June 16, 2014
 - September 15, 2014
 - January 15, 2015

When 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.

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, 2013, 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 8283, Noncash Charitable Contributions, Section A, (if any statement or qualified appraisal is required) or Section B, Donated Property, and any related attachments (including any qualified appraisal or partnership Form 8283)
- 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)

The Form 8453 is only to be used when additional forms or supporting documents are required to be attached to the return. Form 8453 is to be mailed to the Austin Submission Processing Center within three business days.

Mail Form 8453 to:
Internal Revenue Service
Attn: Shipping and Receiving, 0254
Receipt and Control Branch
Austin, TX 73344-0254

Alternatively, a PDF of the attachments can be attached to the electronic return. In that case, no Form 8453 is required. To do this, scan the document to create the PDF. 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®

The survivor, whether listed as taxpayer or spouse on the prior year's return, must be listed first on the return. If this means a change from the prior year, verify all "T" and "S" codes on forms W-2, 1099, etc. Miscoding could result in a reject.

If the taxpayer or spouse died in 2013 or 2014, the "Name line 2" must be completed on the Main Information Sheet. Type the name of the person filing the return for the deceased person. Type the percent (%) sign followed by a space and followed by the name. 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. Name typed in on Name Line 2, combined with surviving spouse name, must not exceed 30 characters (TaxWise adds "DECD" to both names internally and rejects if too many characters - see Exemptions tab).

In the Taxpayer Information section of the Main Information Screen, the date of death for the taxpayer must be entered.

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.

Power of Attorney

1. Read Pub 17 on Power of Attorney & Signatures. For additional details, see Pub 947.
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.



Check Your Work – The Quality Review

- Ensure each return you file is accurate prior to obtaining taxpayer signatures.
- Follow your site’s review process which may include the following:

The Volunteer Preparer

1. **Advise** the taxpayer of the importance of this final step and their role in the process.
2. **Compile** the taxpayer’s supporting documents and their intake and interview sheet (including notes taken during the intake and interview process).
3. **Introduce** the taxpayer to site’s quality reviewer and provide him/her the items in # 2 above.

The Quality Reviewer

1. **Answer** any questions the taxpayer may have and make sure all their questions are answered.
2. **Review** the taxpayer’s documents and tax return along with their completed Form 13614-C
3. **Conduct** the review by reviewing (at a minimum):
 - Identification documents, including verification of taxpayer birth date, address and inclusion of multiple phone numbers and e-mail, if used
 - Social Security Number/Individual Tax Identification Number
 - Filing status and exemptions
 - Banking information for direct deposits or debits
 - Forms W-2, including a cross-check of tax year, EIN, addresses, and all data entered
 - Forms 1099 income statements (types of income include miscellaneous, interest, dividend, retirement, real estate transactions, state refunds, etc.)
 - Any income not reported on W-2, or other documents (ask if any other income received)
 - Form 1098 Mortgage Interest/Taxes Paid
 - Childcare statement from the provider which includes the provider’s EIN or SSN
 - Charitable Contribution statements
 - Student loan interest statements
 - Education/tuition payments (confirm that preparer checked best of Form 8863 or adjustment or Schedule C-EZ/C expenses, if applicable)
 - If EIC checked “NO” on the Form 1040, page 2, confirm that this is correct.
 - Estimated tax payments (amounts and dates paid)
 - If return requires paper filing, verify that the default PIN information is deleted and “paper” is checked on Main Info Sheet and the state return, if applicable
 - On Prep Use form, verify entries, such as Preparer ID; enter Quality Reviewer ID.
 - Verify there are no blank Forms W-2 or 1099 or duplicate worksheets
 - E-file Diagnostic to confirm any overrides were necessary

If there are errors:

- Make correction(s) on Form 13614-C
- Correct the return and (if applicable) review again with the taxpayer.
- Obtain the appropriate taxpayer’s signature(s) and e-file the return. (See closeout below.)

If there are no errors:

- Obtain the appropriate taxpayer’s signature(s) and e-file the return. (See closeout below.)

The Closeout:

- Place the copy of the taxpayer’s return and supporting documents (including Form 8879, IRS e-file Signature Authorization, if applicable) in Publication 730 (Record Keeping Envelope), if available.
- Advise the taxpayer to bring completed tax return with worksheets back next year.

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

Mail the following to:

IRS Processing Center (for e-filed return—after acknowledgement received)

- Form 8453, if applicable, along with the following:
 - Copy of Form 8332, if applicable
 - Copy of Power of Attorney, if applicable
 - Any other required attachments

Important Note: Tax packages are no longer being mailed out to individuals by IRS. Forms and publications may be accessed via the Internet at www.irs.gov/formspubs.

Where to File Paper Returns

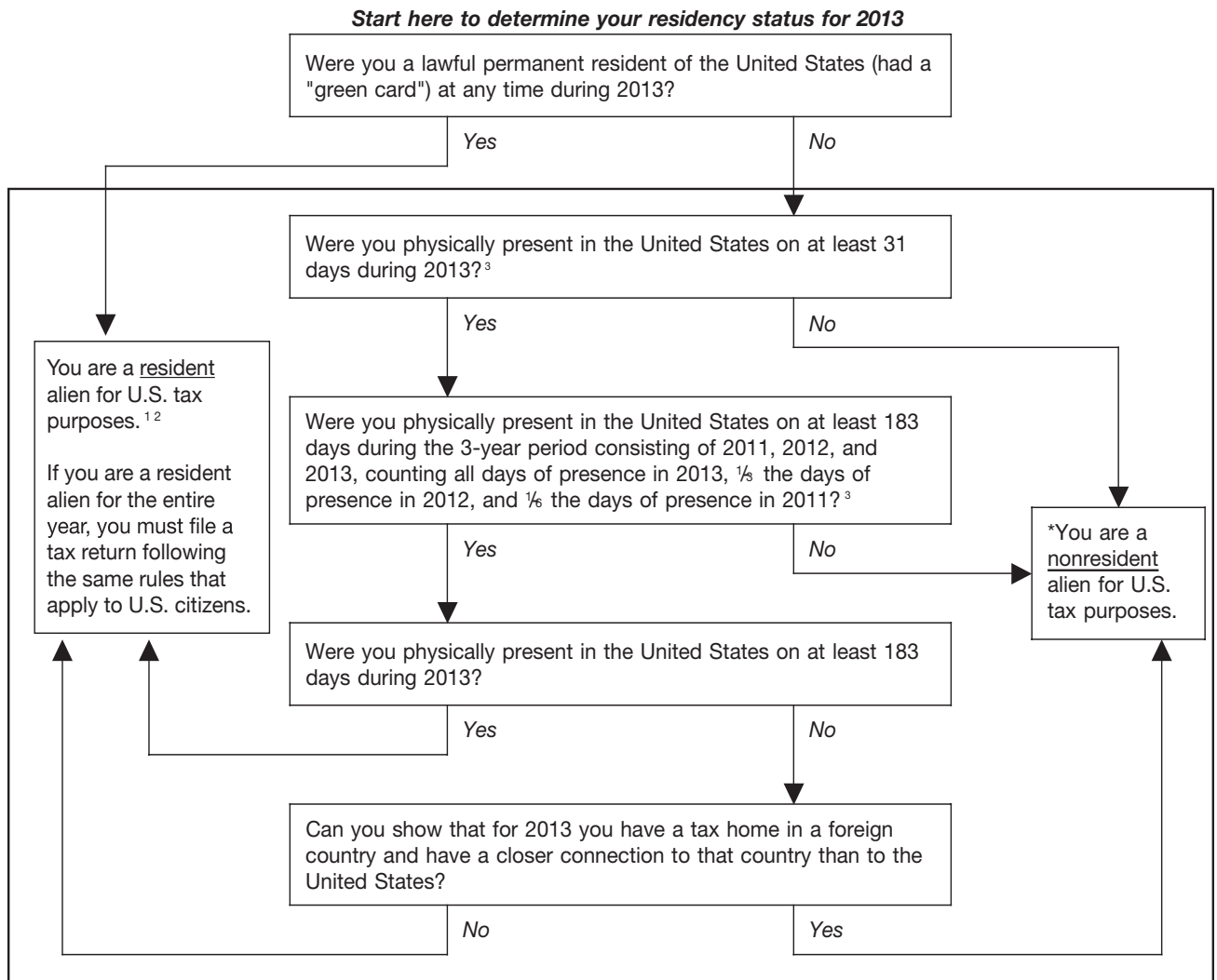
When a paper return must be filed, advise the taxpayer to sign and mail the return to the applicable address for the state where the taxpayer lives.

Mailing addresses can be located on www.irs.gov. In the search box, type "Where to file addresses". The addresses are also located in Form1040 instructions.

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
- Student who is temporarily present under an F, J, M, or Q visa
- Professional athlete who is temporarily in the United States to compete in a charitable sports event

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.

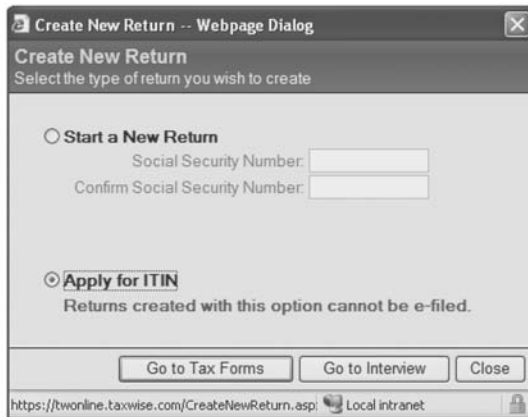
Electronic Filing of Returns with Valid ITIN

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.

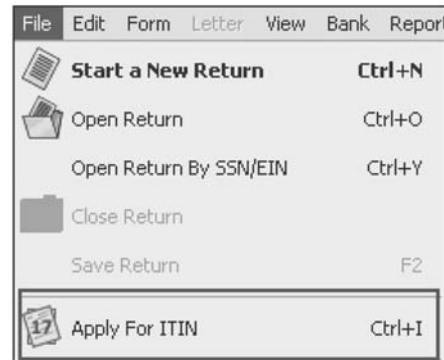
1. The taxpayer's ITIN must be entered on the Main Information Sheet in the space provided for the taxpayer's, or if applicable, spouse's social security number.
2. When completing the Form W-2 in TaxWise, enter the SSN shown on the paper Form W-2. The Internal Revenue Service requires the manual key 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.

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

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 taxpayer’s	900-70-0001
The spouse’s	900-70-0002
The 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 per information on pages 1-4 and 1-5. 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.
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: New ITINs will now expire in five years.

Amended Returns

This information presumes you have the original return in TaxWise®. Amended returns cannot be electronically filed.

- 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.
- Using the process for adding a form, select 1040X Pg 1 from the list. Add the state amended return forms if the taxpayer is required to correct that return as well.
- 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.
- Starting with the Main Information Sheet, confirm the address, filing status and exemptions from the original return and make any 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.
- 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.
- Review the forms tree on the left for any red marks and fix them.
- Secure the taxpayer's signature on this form and provide them with the appropriate mailing address from the Form 1040X Instructions. Follow the same process for state tax returns, if applicable.
- When mailing the amended return to the IRS, do **not** include copies of the original return. **Do** include copies of any revised schedules or additional Forms W2 or 1099. If taxable Social Security changes, also include the Form 1040 with "Amendment" written across it. The state amendment should include a copy of everything sent with the federal amended return.
- Taxpayer should receive a copy of all documents to retain for their records.

Note: Advise taxpayer that amended return should not be filed until all refunds have been received, but file current year amended return by April due date if balance is due.

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.

New Tax Law:

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.

Additionally, if an employer provided health coverage for an employee's same-sex spouse, the employee may claim a refund of income taxes paid on the value of coverage that would have been excluded from income had the employee's spouse been recognized as the employee's legal spouse for tax purposes.

Prior Year Returns

Who can prepare prior year returns?

VITA/TCE volunteers with at least two years experience may prepare tax returns for the current year and the previous three years. Volunteers preparing prior year returns must be certified at the advanced level.

Taxpayers seeking assistance outside the scope of the volunteers' certification should be referred to a professional tax preparer.

What technical resources are required?

If your site chooses to prepare prior year returns, the Site Coordinator should be aware of the requirements. The SPEC relationship managers and www.irs.gov (keyword search: prior year returns) are critical resources for administrative and technical resources.

At a minimum, the following tools are required:

- Prior year tax preparation software.
- Reference material, including Publication 17 and 4012 (available in the tax software) and volunteer quality alerts/volunteer tax alerts (available on www.irs.gov)
- Prior year Intake/Interview and Quality Review Sheets, Form 13614-C, (available on www.irs.gov). An Intake/Interview and Quality Review Sheet must be completed for every prior year return.

Prior year tax form instructions and publications are also available on www.irs.gov for reference. If your site does not have the necessary tools to prepare prior year returns, seek guidance from your Site Coordinator.

TIP: The Interactive Tax Assistance (ITA) is an online tool that provides consistent 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.

How do I file a prior year return?

Only 2011 & 2012 tax returns can be e-filed. Other prior year returns cannot be electronically filed. 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 (Finishing the Return tab).

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. Close the return.
7. From the Tools menu, select "Make extension e-files."
8. Select the return and click OK. TaxWise® runs Diagnostics and creates the extension e-file.
9. Close the diagnostic screen.
10. Print return for taxpayer files. Write "NOT FILED Extension Requested" across the top of return
11. Taxpayer must send in Form 1040-V with payment.
12. 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:

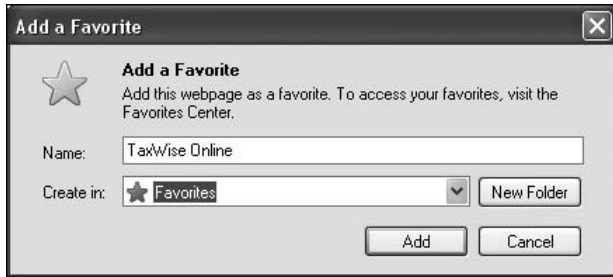
1. Open Internet Explorer.
2. Type <https://twonline.taxwise.com> in the address line. To access prior year software type /and year at the end of the address line.

For example: <https://twonline.taxwise.com/10>, [/09](https://twonline.taxwise.com/09), or [/08](https://twonline.taxwise.com/08).



Address

3. Click on the **Favorites** icon.
4. Click **Add**.
5. In Name:, type the name you want the favorites to display.



Add a Favorite
Add this webpage as a favorite. To access your favorites, visit the Favorites Center.

Name:

Create in:

6. Click **OK**.

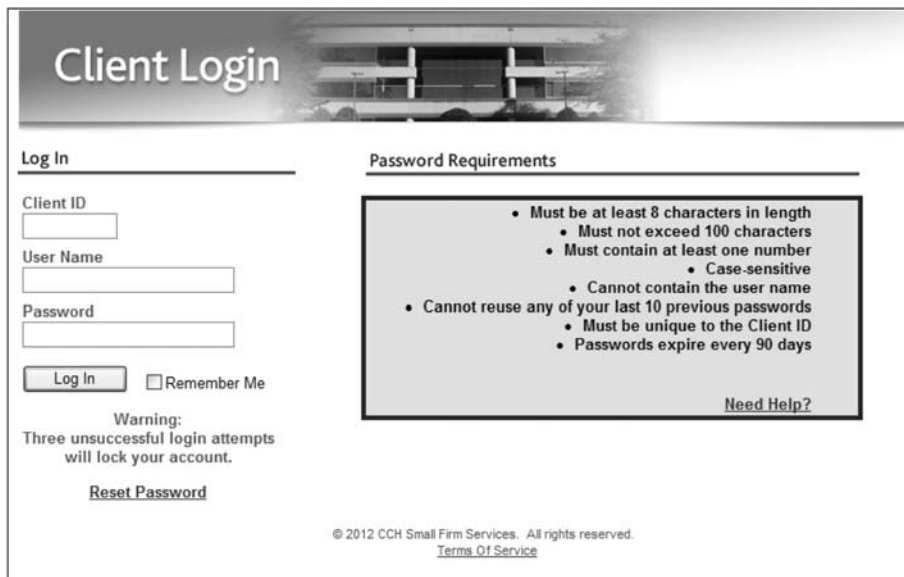
Logging on to TWO the first time

- From your Favorites, select **TWO**.

The user name is case sensitive.

To log on to TaxWise® Online, do the following:

- Enter your **client ID**, **User Name**, and **Password**.



Client Login

Log In

Client ID

User Name

Password

Remember Me

Warning:
Three unsuccessful login attempts will lock your account.

[Reset Password](#)

Password Requirements

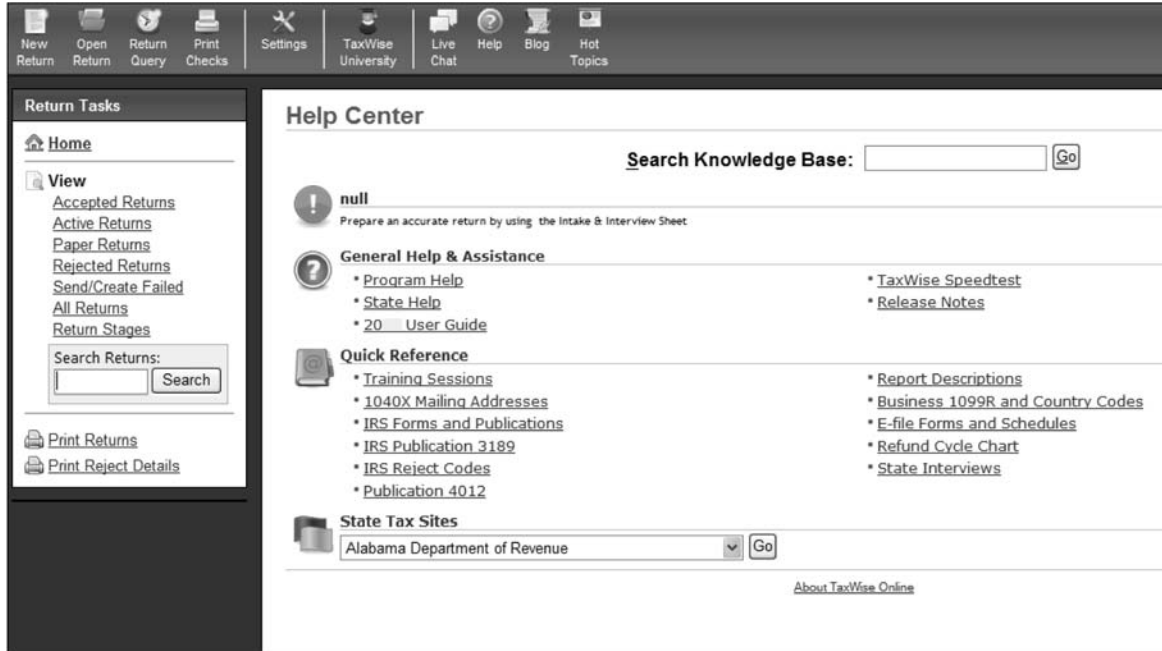
- Must be at least 8 characters in length
- Must not exceed 100 characters
- Must contain at least one number
 - Case-sensitive
 - Cannot contain the user name
- Cannot reuse any of your last 10 previous passwords
 - Must be unique to the Client ID
 - Passwords expire every 90 days

[Need Help?](#)

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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 your options for users and administrators.

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

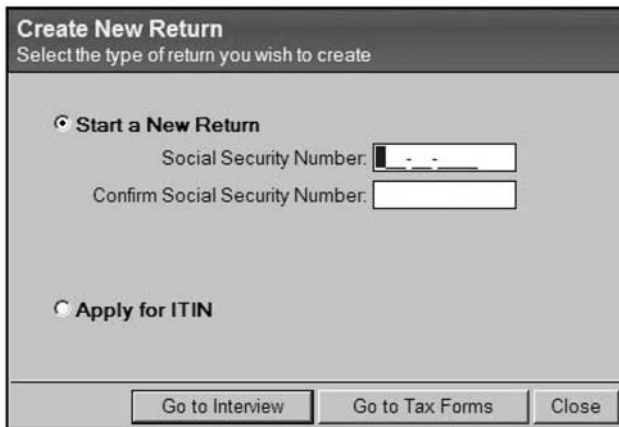
Ctrl+I: Insert row

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 and the following dialog box is displayed:



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.

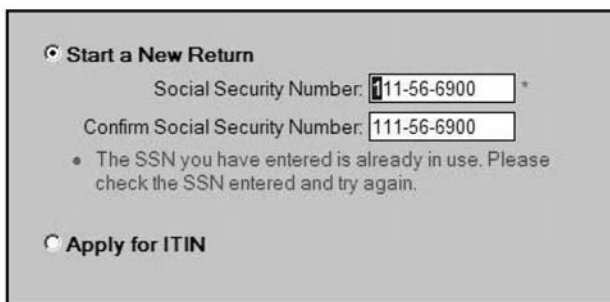
TWO has two methods for input of the tax return, Interview based and Forms based.

- 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.

Note: The user may toggle between interview completion and forms completion at any time.

- Click the **Close** button to cancel the process and return to the **TaxWise® Online Homepage**.

If the SSN is already in use, TWO displays the following:

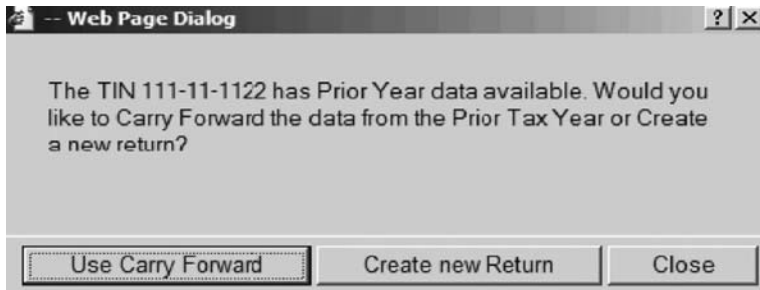


If the SSN does not match, TWO displays the following:



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 you wish to carry forward the information. 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.



After filing status the next screen is an input screen that gathers client's personal information.

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

Now let's collect your client's personal information.

Taxpayers Name?
First Name MI Last Name

Taxpayer's Social Security Number

Taxpayer's Date of Birth

Taxpayer's Occupation

Taxpayer's date of death

Email Address:

Is the taxpayer a US Citizen or Resident Alien? Yes No

Was EITC previously disallowed? Yes No

The TaxWise Online Interview

Filing Status
 Personal Info
 Location
 Address
 Special Processing
 General Questions
Dependents
 Types Of Income
 Assets

Dependents

Now let's look at dependents. Generally a dependent is someone whom you support.
 Not sure whether someone qualifies as a dependent?

Are there any dependents? Yes No

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

The TaxWise Online Interview

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
 Finish

Dependents

In the interview process you can enter up to 4 dependents.

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 TaxWise Online Interview

Filing Status
 Personal Info
 Location
 Address
 Special Processing
 General Questions
 Dependents
Dependent List
 Types Of Income
 Assets
 Adjustments
 Deductions
 Medical Expenses
 Extra Questions
 State Return
 Select States
 State Questions
 Custom Questions
 Finish

Dependents

In the interview process you can enter up to 4 dependents. [Help Me](#)

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

If there is the slightest 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 they do not 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:

Previous Form Next Form Refresh Return Close Return Print Return Switch To Interview Run Diagnostics Return Status Return Query Forms List Help Reference Guide Log Out

Refund Monitor
 Current AGI: \$0
\$0
 Current Refund
[Check Return Status](#)

Loaded Forms
 Main Info
 Interview
 1040 Wkt3
 1040 Pg 1
 1040 Pg 2

Message Center

Assistance
 Search for:

US Main Information Sheet

This return can be filed on Form 1040A
 Check appropriate form you are using: 1040 1040A 1040EZ 1040NR 1040NREZ

Check one: Spanish forms on the screen and printed. Spanish forms printed only.

Your first name Initial Last name Suffix Your SSN
 JOHN SMITH 888-88-8888

If filing a **JOINT** return, enter your spouse's
 First name Initial Last name, if different from yours Spouse's SSN

Mailing address
 Name line 2. Use % for care of
 Present home address 400 N 8TH STREET
 Zip code, city, and state 23219- RICHMOND VA
 Email address

Telephone numbers
 Daytime 804-555-5555
 Evening
 Cell phone or fax
 Foreign phone

Birth date
 Age for Federal tax purposes Taxpayer Spouse
 08/15/1962 44 0

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.

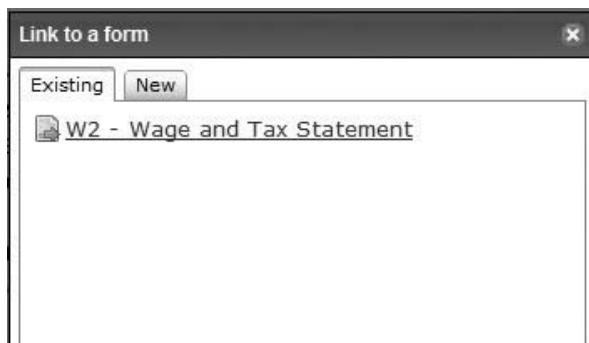
1. To “unestimate”, where a line or box is red, click on the *Toggle Estimated* icon to the right of the *Link* icon (see *Linking to a Form*) or Ctrl-Spacebar.
2. After entering data (or if newly selected form, click anywhere on the form), press Ctrl-E to go to next red entry.
3. Do not use *Scratchpad* 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 **New** tab is the active window (lighter gray). Clicking on the **Existing** tab will list any forms that are already associated with the active field (Form 1040, line 7).



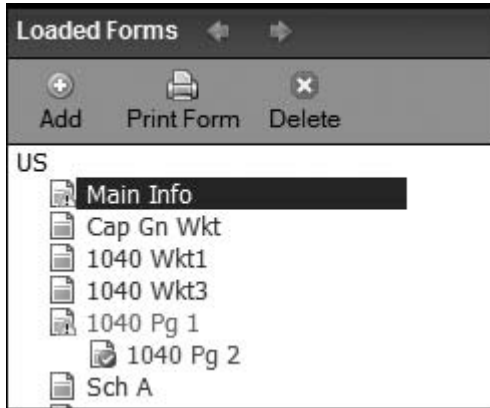
You can also use the **Link** icon to link worksheets or scratch pads to entries. For example, while on Schedule A, line 1, the **Link** icon will open the window where you can select the *Itemized Deduction Detail Worksheet*.

The TaxWise® Online Tax Forms

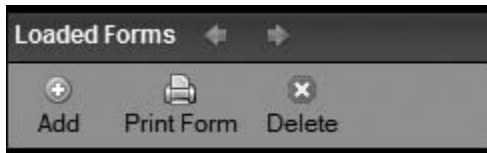
Go to Tax Forms allows the preparer to complete the tax return using the forms-based method.

This option is very similar to TaxWise® Desktop. 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.


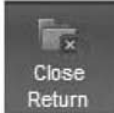





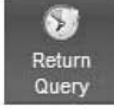

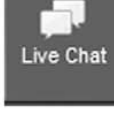
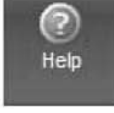

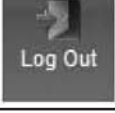
The Refund Monitor, shown to the left of the return, displays the current AGI and the refund amount or balance due for the active return. These figures change as return data is added.



← 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:

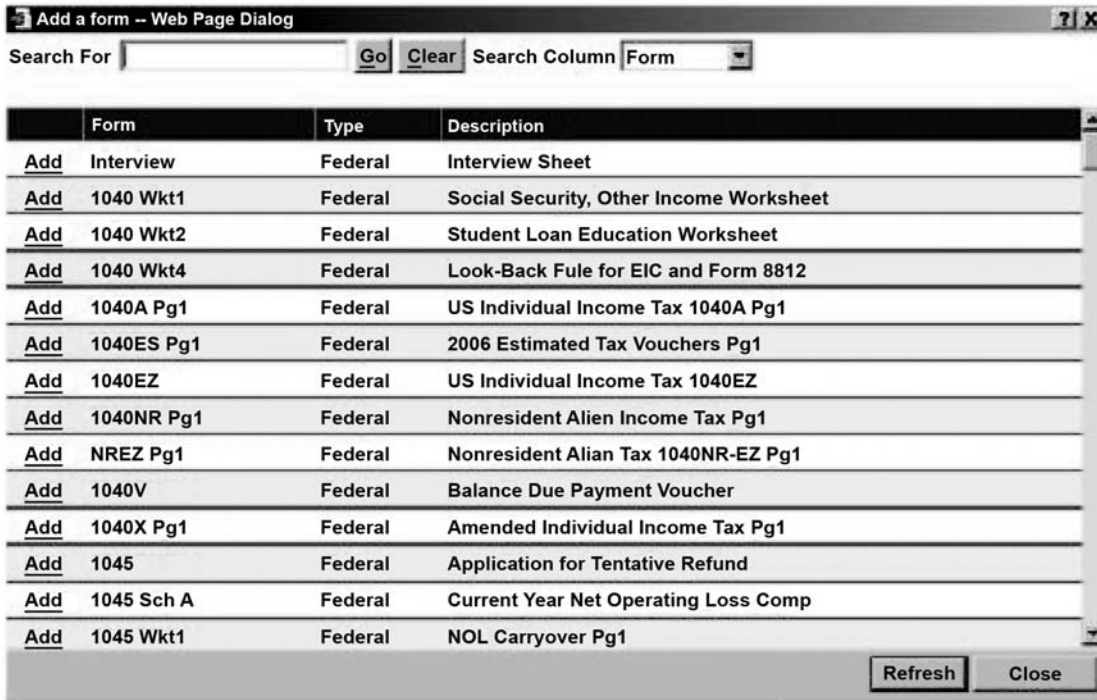
Icon	Description
	Saves the active return
	Closes the active return
	Prints the active return
	Allows you to create and print client letters
	Changes to interview process
	Checks the return for electronic errors prior to creating the electronic file
	Checks the status of the active return
	Checks the status of any return
	Displays the list of available forms to be added to the active tax return
	Allows you to interact with CCH or TaxWise Customer Support
	Provides a link to the Homepage and the help functions
	The blog is updated with important information during the tax season
	Closes the software and all returns

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". At the top, there is a search bar with the text "Search For" followed by an empty input field, a "Go" button, a "Clear" button, 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 forms with an "Add" link in the first column of each row. At the bottom right of the dialog, there 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 bar from the dialog window, showing the text "Search For:" followed by an empty input field, a "Go" button, and a "Clear" button.

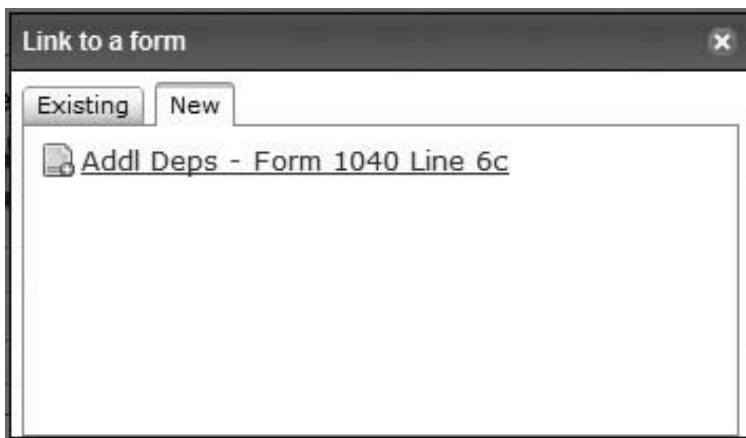
- Select **Clear** to remove your search criteria.
- Click the **Add** link next to the appropriate form.

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 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:

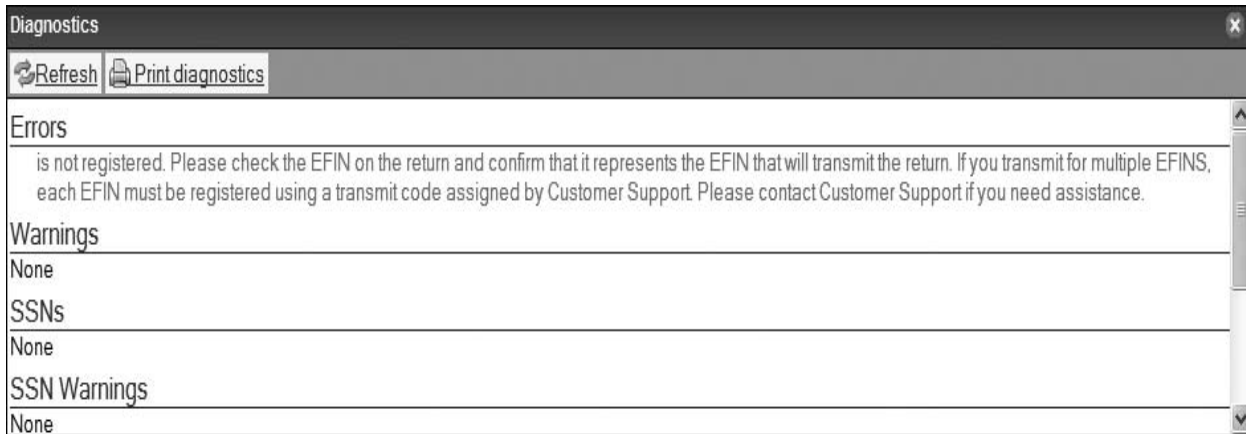
US 1040		Line 6c: Additional Dependents					2011	
Do not skip lines. Delete blank lines by using the ALT and DELETE keys.								
Code = Dependent code. Enter 1, 2, or 3.								
Dependent Information		Name code	Date of birth	Age	Social security number	Relationship to you	Mo in Hm	C o d e
First name	Last name							
				0				<input type="checkbox"/>
				0				<input type="checkbox"/>
				0				<input type="checkbox"/>
				0				<input type="checkbox"/>
				0				<input type="checkbox"/>

Note: There is no column for Dependent Care or Earned Income Credit.

Running Diagnostics and Creating an Electronic File

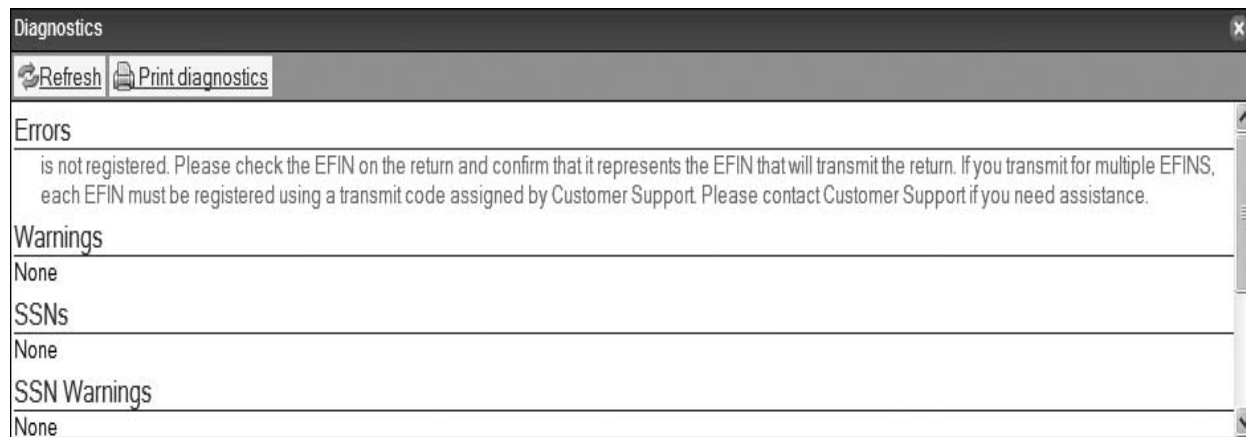
- Select the **Run Diagnostics** icon for the active return.
- Check to see that all overrides are necessary.

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 **Run Diagnostics** icon again.

The following illustration shows the diagnostics details after all e-file errors have been corrected:



- Select the **Create Efiles** hyper link.
- Close the return.
- Complete this step prior to printing the return. This will print the DCN on Form 8879.

Setting the Return Stage

Setting the return stage from inside the tax return:

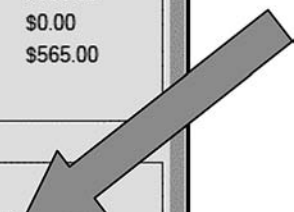
1. Open the return.
2. Select the **Return Summary** icon.
3. Select the appropriate stage from the drop down box in the Efile Status section. See your Site Coordinator for further information on selecting return stages.
4. Return Stage can also be selected from the Active Return screen.

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	<ul style="list-style-type: none">COMPLETEPAPER RETURNREADY TO REVIEWREADY TO TRANSMITWAITING ON SIGNATU
Date Accepted		

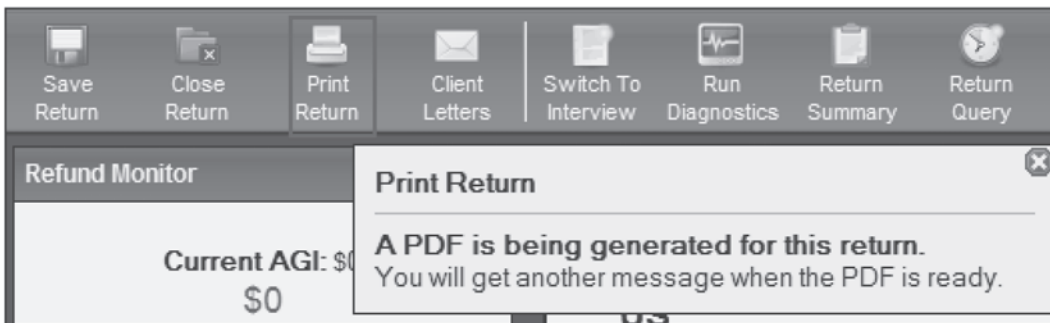


Printing the Active Tax Return

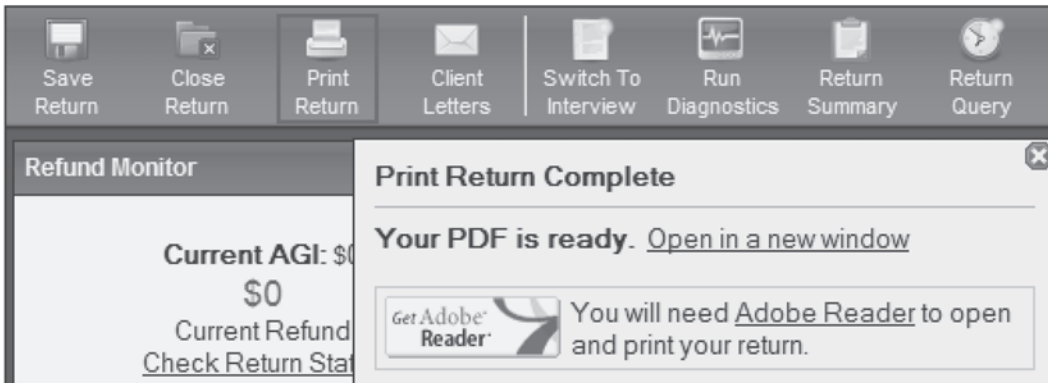
To print a return while you have the return open, you can click the tool bar's **Print Return** button.



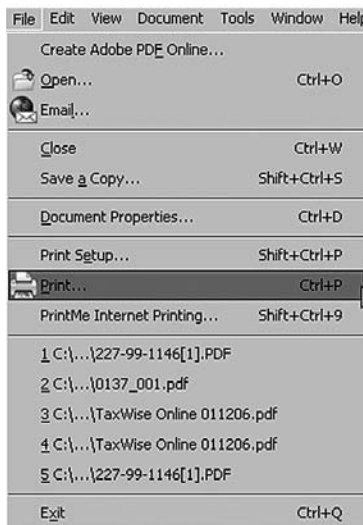
TaxWise Online displays the PDF message box.



Click open in a new window link.



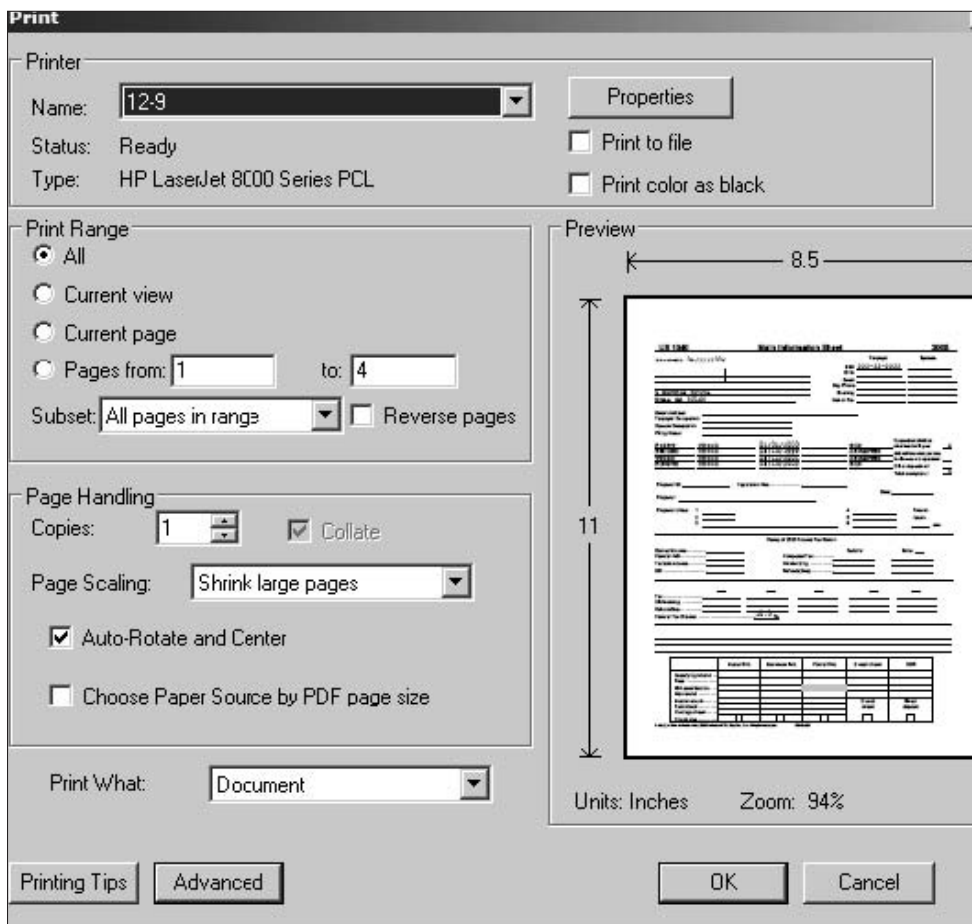
Once the PDF file opens, you can print by clicking on the Print Return icon on the task bar or by opening the file menu and selecting “Print”.



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.

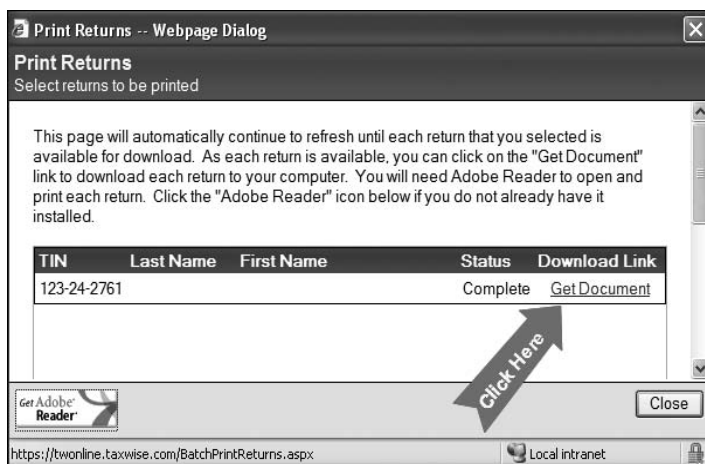
Printing from the User Homepage

- Select the **Print Return** icon found on left Return Task box.

The following illustration shows the **Print Returns** dialog box:



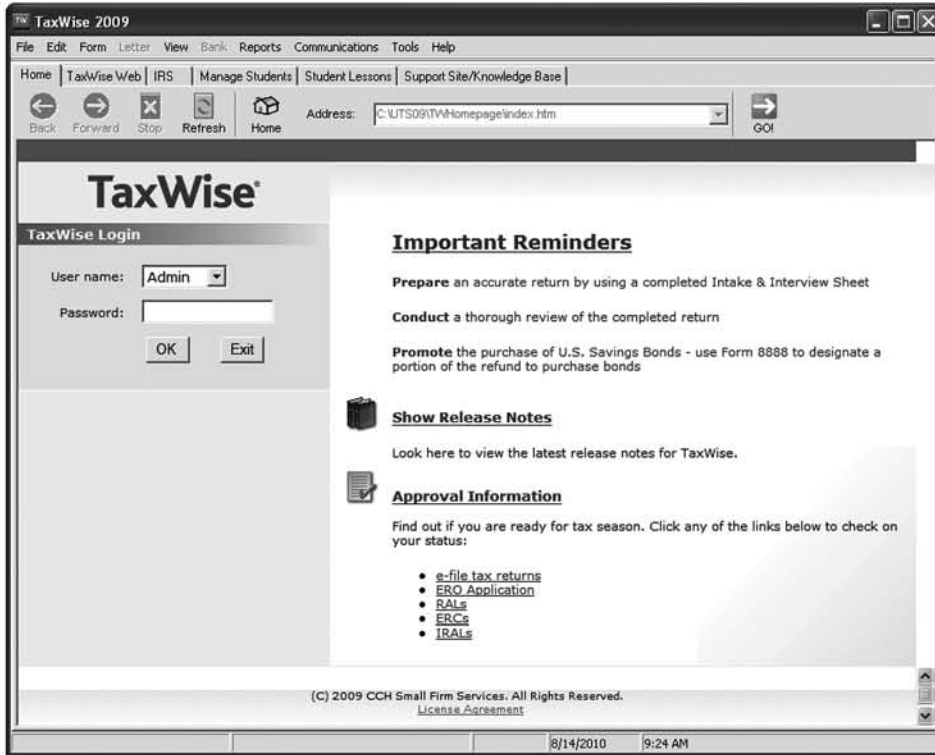
- Select the appropriate returns to print.
- Click on the **Submit** button.
- Click **OK** to confirm the selected returns to print.



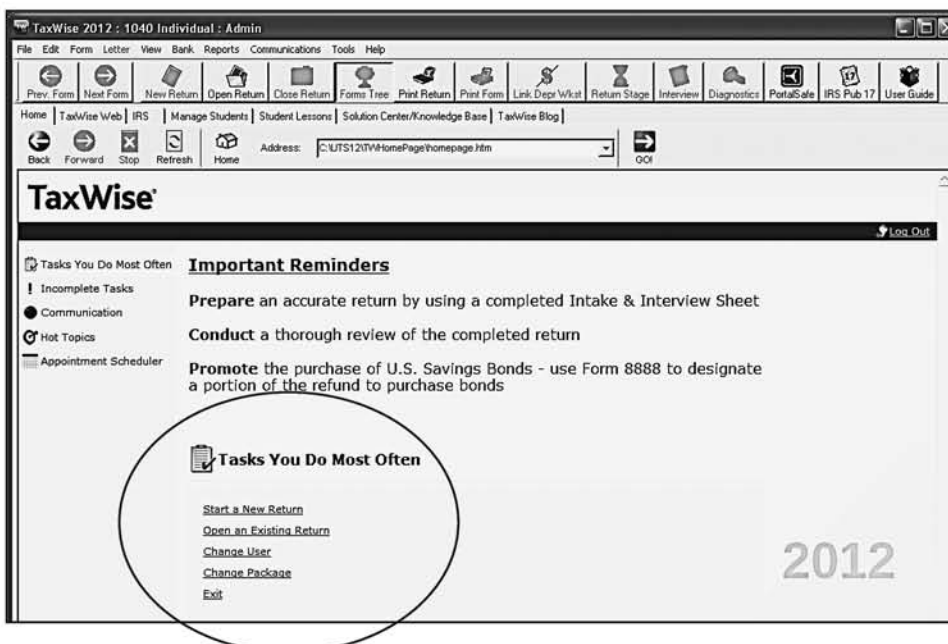
NOTE: If you are using TaxWise Desktop only because TWO is not available, follow these instructions. When TWO becomes available, run diagnostics and click Mark to Transfer. Then follow the instructions on Page O-7 to transfer the returns to TWO.

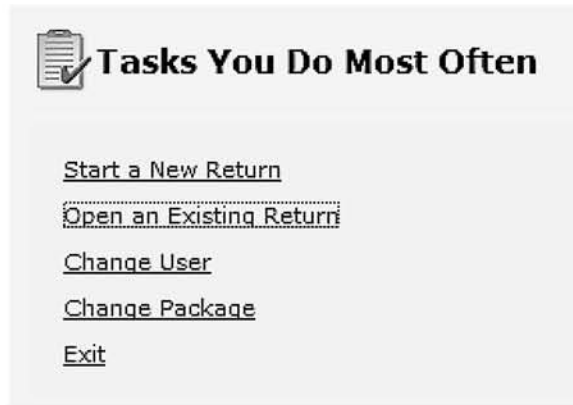
TaxWise® Log in Screen

Open TaxWise®, select a User name, enter a Password, and click **OK**.



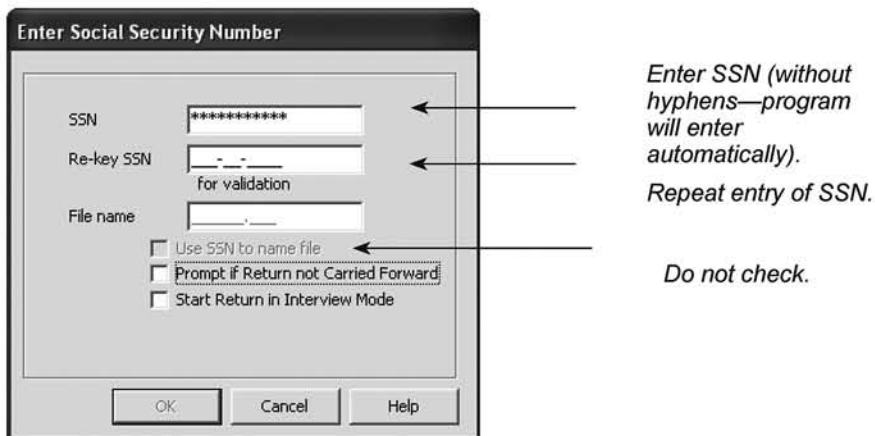
TaxWise Desktop Homepage





- 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 (Left Panel):

- 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-1)
 - 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(QJOE BL)

Main Information Sheet (Right Panel):

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. Your first name: Joe Initial: J Last name: Blow Suffix: Your SSN: 123-45-6789

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: 123 MAIN

Present home address: 33815- COEUR D ALENE, ID

Zip code, city, and state: 33815- COEUR D ALENE, ID

Email address:

Telephone numbers

D daytime: 208-765-6586

Taxpayer **Spouse**

In date entries, you must enter all four digits of the year. Do not enter the slashes. TaxWise enters those for you automatically — for example, when you enter 02011973 and press **Enter**, TaxWise displays 02/01/1973.

TaxWise recommends entering the date of birth for all clients because TaxWise cannot calculate age-related benefits on the Federal and state returns unless you enter the birth date. This includes the earned income credit (EIC) for qualifying taxpayers with no dependents.

The banks require a date of birth if the taxpayer is applying for a bank product.

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

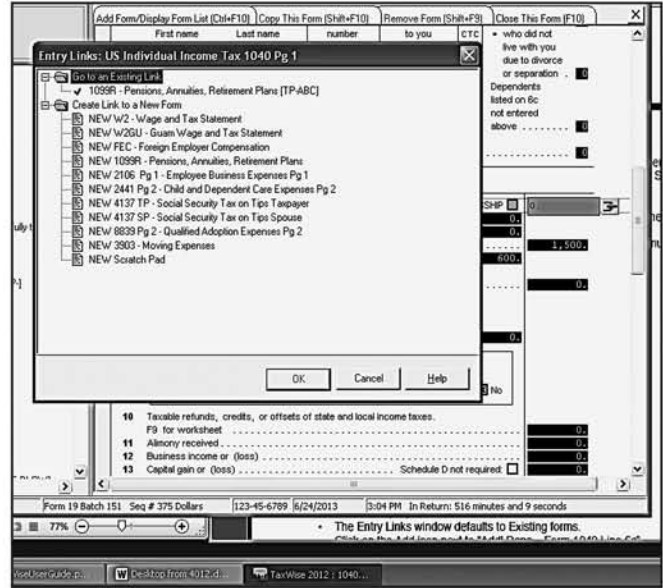
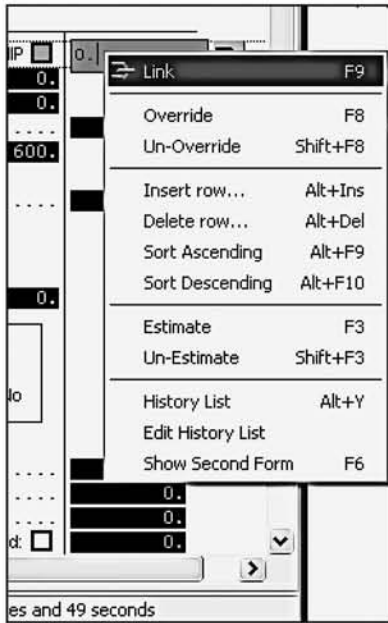
Shortcut Keys

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

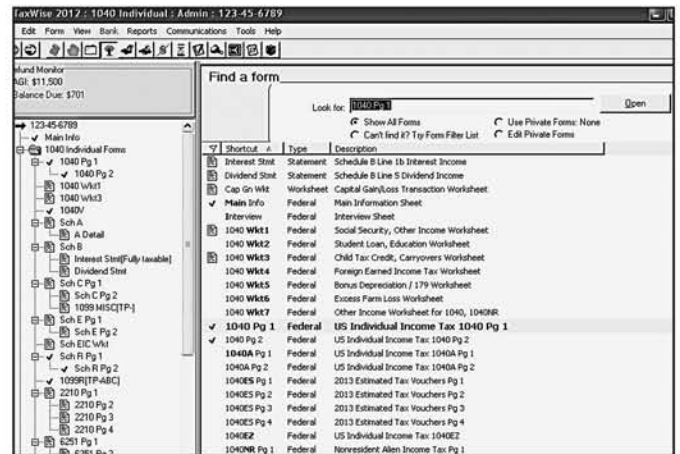
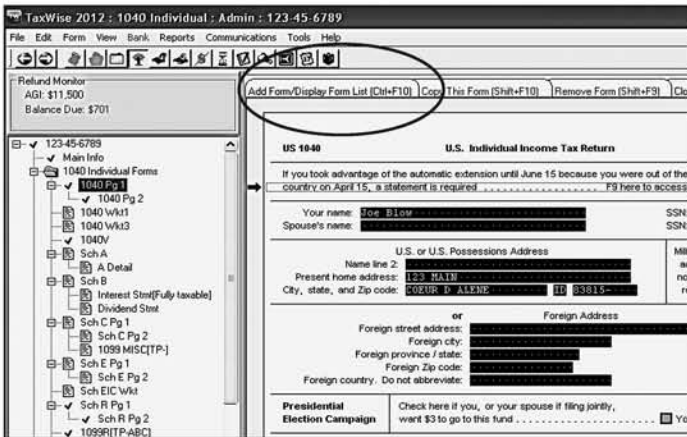
Adding Forms to a Return

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.

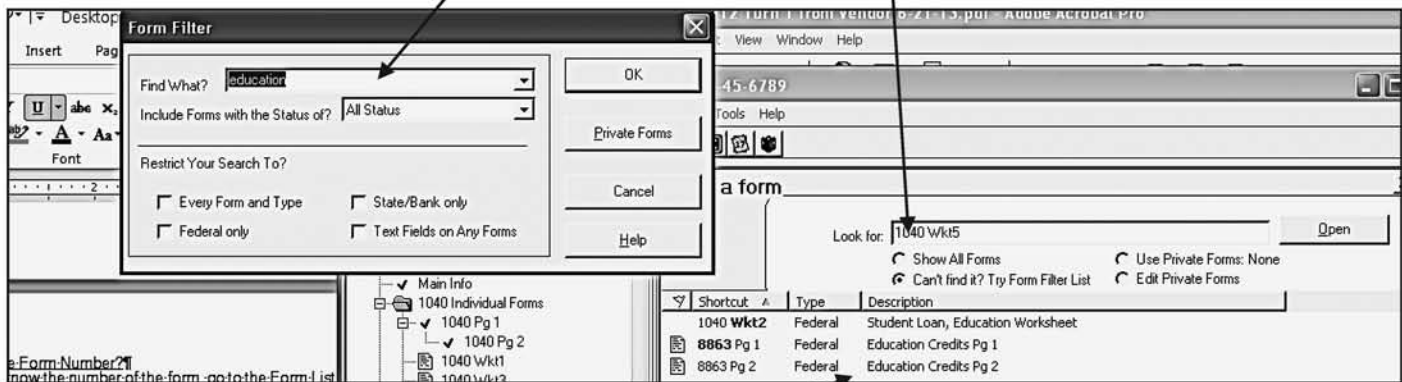


3. Press F10. This will also open the Form List so you can select the form you need.

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.*

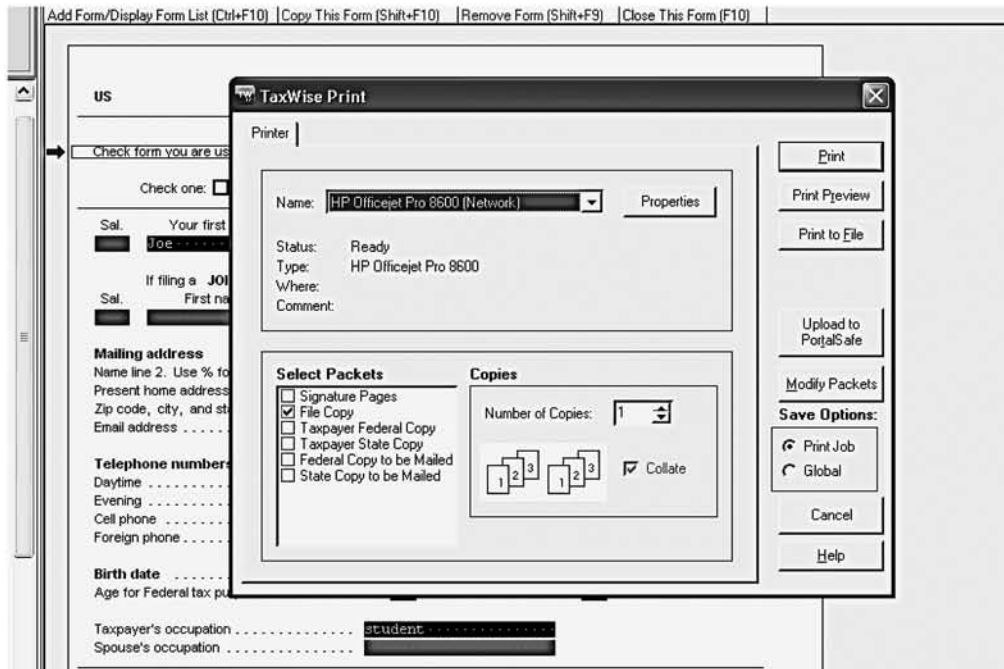
Setting the Return Stage

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.

Identity Theft Job Aid for Volunteers

Assisting Taxpayers with Tax Related

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

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 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. 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. Advise the taxpayer to call the ID Theft Toll-free Hot line (800-908-4490). 4. If the taxpayer receives 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. Advise the taxpayer to call the ID Theft Toll-free Hot line (800-908-4490). 2. Provide taxpayer with two complete copies of the tax return. 3. If Identity Protection Specialized Unit (IPSU) 4. provides the taxpayer the IP PIN and taxpayer wants to e-file, advise the taxpayer to provide the IP PIN by returning to the site or via telephone. 5. 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.
IP PIN was not issued to the taxpayer but 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.

If IPSU can validate the identity of the taxpayer, IPSU will issue a replacement IP PIN while the taxpayer is on the telephone. The replacement IP PIN will allow the tax return to be electronically filed. Since returns filed with a replacement IP PIN will be subject to a manual review, there may be a slight delay in the issuance of the refund.

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

Taxpayers 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.

A transcript of a prior-year return may be obtained, also using Form 4506-T. There is no charge for the transcript which shows most line items from the original return, including accompanying forms and schedules.

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 a narrow scope in the VITA/TCE programs. Volunteers can assist taxpayers with an amended return if both of these statements are true.

1. The 1040X is for the current year or one of the 3 years immediately prior.
2. The original return was prepared at that same site or recreated based on the latest return submitted to the IRS.

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 552, Recordkeeping for Individuals 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. 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).

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 2010
- 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 2012
- 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
- 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

Form Number and Title

- 2441 Child and Dependent Care Expenses
- 2848 Power of Attorney and Declaration of Representative
- 3903 Moving Expenses
- 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
- 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, Missouri, 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, 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.

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?

1

When to check...

- Within 24 hours after we've received your e-filed tax return
- 4 weeks after you mail your paper return

2

What you need...

- Social Security Number
- Filing status
- Exact refund amount

3

How...

- Get your [refund status at...](#)



Interactive Tax Assistant (ITA)

Available on irs.gov

The ITA tool is a tax law resource that takes you through a series of questions and provides you with responses to 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.

A link to ITA is also available on the TaxWise solution center.

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Taxpayer Civil Rights

The Internal Revenue Service will not tolerate discrimination against anyone based on race, color, national origin (including limited English proficiency), reprisal, disability, age or sex (in education programs or activities) by its employees or anyone who volunteers or works with taxpayers at one of these community partners:

- Low Income Tax Clinics (LITC)
- Volunteer Income Tax Assistance (VITA) sites and
- Tax Counseling for the Elderly (TCE) sites

Persons with disabilities and/or limited English proficiency should be able to participate in or benefit from programs and services that IRS supports. Site Coordinators at the above sites are required to:

- Provide a reasonable accommodation when a person with a disability makes a request.
- Take steps to make sure persons with limited English proficiency have access to their programs or activities.
- Language assistance services may include oral and written translation.

All written taxpayer complaints should be sent to:

Operations Director, Civil Rights Division
Department of the Treasury - Internal Revenue Service
Room 2413
1111 Constitution Avenue, NW
Washington, DC 20224

For questions about taxpayer civil rights, contact us at the above address or by email at edi.civil.rights.division@irs.gov.

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
TaxWise Website	www.taxwise.com
TaxWise TV	www.taxwisetv.com

Tax Year Website	
2012	https://twonline.taxwise.com/12
2010	https://twonline.taxwise.com/10
2009	https://twonline.taxwise.com/09
2008	https://twonline.taxwise.com/08

Internal Revenue Service	
VITA/TCE Hotline (for volunteer use only)	1-800-829-8482 (800-TAX-VITA)
Foreign Student/Scholar Issues Or to e-mail a question	1-800-829-1040 www.irs.gov/taxlaw – select Alien issues
IRS SPEC Territory Office	
Enterprise Service Desk (Help Desk)	1-866-7HELP4U (1-866-743-5748)
Identity Theft	1-800-908-4490
VolTax	1-877-330-1205
Volunteer Tax Alerts	Keyword Volunteer Tax Alerts

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	1-800-829-1040
IRS Refund Hotline	1-800-829-1954
Where's My Refund Website	www.irs.gov
IRS Forms and Publications	1-800-829-3676
IRS Taxpayer Advocate	1-877-777-4778
IRS Tax-Help for Deaf (TDD)	1-800-829-4059
Social Security Administration	1-800-772-1213
Refund Offset Inquiry (Financial Management System)	1-800-304-3107