

State and Local Refund Worksheet

1. State/local income tax refund or credit¹ 1. _____

2. Enter the total of all other Schedule A refunds or reimbursements (excluding the amount you entered on line 1)² 2. _____

3. Add lines 1 and 2 3. _____

4. Itemized deductions for the prior year. For 2014, Form 1040, Schedule A, line 29; Form 1040NR, Schedule A, line 15; Form 1040NR-EZ, line 11 4. _____

5. Enter any amount previously refunded to you (do not enter an amount from line 1 or line 2) 5. _____

6. Subtract line 5 from line 4 6. _____

7. Standard deduction for the prior year.³ If you filed Form 1040NR or 1040NR-EZ, enter -0- 7. _____

8. Subtract line 7 from line 6. If the result is zero or less, enter 0. The amounts on lines 1 and 2 are not taxable 8. _____

9. Enter the smaller of line 3 or line 8 9. _____

10. Taxable income for prior year⁴ (2014 Form 1040, line 43; 2014 Form 1040NR, line 41; 2014 Form 1040NR-EZ, line 14) 10. _____

11. Amount to include in income for 2015⁵ 11. _____

• If line 10 is zero or more, enter the amount from line 9.
• If line 10 is a negative amount, add lines 9 and 10 and enter the result (but not less than zero).

If line 11 equals line 3—
Enter the amount from line 1 on Form 1040, line 10; Form 1040NR, line 11; Form 1040NR-EZ, line 4.
Enter the amount from line 2 on Form 1040, line 21; Form 1040NR, line 21.

If line 11 is less than line 3 and either line 1 or line 2 is zero—
If there is an amount on line 1, enter the amount from line 11 on Form 1040, line 10; Form 1040NR, line 11; Form 1040NR-EZ, line 4.
If there is an amount on line 2, enter the amount from line 11 on Form 1040, line 21; Form 1040NR, line 21.

If line 11 is less than line 3, and there are amounts on both lines 1 and 2, complete the following worksheet.

A. Divide the amount on line 1 by the amount on line 3. Enter the percentage A. _____

B. Multiply the amount on line 11 by the percentage on line A. Enter the result here and on Form 1040, line 10; Form 1040NR, line 11 B. _____

C. Subtract the amount on line B from the amount on line 11. Enter the result here and on Form 1040, line 21; Form 1040NR, line 21 C. _____

State Income Tax Refunds from Years Earlier than the Prior Year:

- If taxpayer did not itemize in the year the refund is for or claimed the sales tax deduction instead of the state income tax deduction in that year, the refund is not taxable. Do not enter it.
- If the taxpayer itemized and agrees to pay tax on the full amount, enter the full amount in the first field on the State Refund Worksheet.
- If the taxpayer does not agree to pay tax on the full amount, the return is out of scope.

Recommend using the Refund Calculator at cotaxaide.org/tools. Enter result here for a state income tax refund that is taxable.

State Refund Worksheet

Bypass State Refund Worksheet

Enter an amount here to bypass worksheet and enter the full amount as taxable on form 1040: \$ _____

Section 1 - State and Local Refunds

State Tax Refunds (all refunds from 1099-G or similar statements): \$ _____

Last year's (2014 Tax Return) Standard/Itemized Deductions found on line 40 Form 1040 or line 24 Form 1040A. If you filed your 2014 return on form 1040EZ, please enter 0.: \$ _____

Last Year's (2014 Tax Return) Filing Status: Select one... ▼

Last Year's (2014 Tax Return) Deductions for Over 65 or Blind:

☐ Check here if the Taxpayer claimed the Over 65 deduction last year.

☐ Check here if the Spouse claimed the Over 65 deduction last year.

☐ Check here if the Taxpayer claimed the Blind deduction last year.

☐ Check here if the Spouse claimed the Blind deduction last year.

Section 2 - If the filing status on your 2014 Form 1040 was married filing separately and you were forced to itemize because your spouse itemized in 2014, fill out this section ONLY.

State Tax Refunds (all refunds from 1099-G or similar statements): \$ _____

Done

Note: If the taxpayer doesn't have a copy of the prior year return, make the entire refund taxable.

Use **Section 1 ONLY** if there is no state or local sales tax, and taxpayer had no unused credits last year. Otherwise, use worksheet above to determine amount to enter on 1st line. Use a copy of the taxpayer's previous year return to enter all amounts in the spaces provided. The taxable portion will be included on the return as taxable income.

Section 2— For taxpayers who filed a MFS tax return in the previous year and were forced to itemize deductions because their spouse itemized deductions, enter the amount from all current year 1099-G statements. This amount will be included on the return as taxable income.

For taxable refunds or recoveries of other items, such as itemized deductions, use the refund calculator and enter the taxable amount as other income on Form 104 Line 21.

Interest and Dividend Income

Interest and Dividend Income

Interest or Dividend Income	BEGIN
Did you earn interest from a bank in a foreign country?	BEGIN
Exclusion of Interest from Series EE & I US Savings Bonds	BEGIN
	Continue

If the aggregate value of foreign financial accounts exceeds \$10,000 at any time during the year, the FinCEN Report 114 is required and the return is out of scope.

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

1099 Description Schedule B

Choose the type of Interest or Dividend item you want to enter:

☐ Interest Income, Form 1099-INT

☐ Tax Exempt Interest Income, Form 1099-INT, Box 8 or Form 1099-DIV, Box 10

☐ Dividend Income, Form 1099-DIV, Box 1

☐ Seller Financed Interest Income

Cancel

Continue

If Tax-Exempt interest is present on the Form 1099-INT, enter separately