





Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
<p>Taxslayer Tips 1-10</p> <p>Since TS is being modified for the Tax-Aide progam, it is a work in progress. Expect changes.</p> <p>After TS entries, the remainder of the QuickGuide is alphabetical, starting with form numbers.</p>	<p>1. TaxSlayer production link = https://vita.taxslayerpro.com/ProAvalon/Login/</p> <p>2. Changes in a form/wkt/screen are not saved until you click Continue at the bottom of the page! On the State section, click Continue on page after page until you see the spinning "calculating" wheel for refunds at the top spin.</p> <p>3. To move quickly from one return to another, click on the taxpayer name at the top left & choose Your Office. This takes you to the Welcome page where you can do a Client Search. Returns can be found quickly by typing a few letters in the taxpayer name (first or last) with Client Search (no need to press ENTER).</p> <p>4. When you choose Summary/Print on the left side and see the 1040, you can click on any blue amount to take you to the source of the amount (most of the time). Does not work for everything (like scholarship income. Nothing similar can be done for state returns.</p> <p>5. To see state forms or other federal forms (other than the 1040), choose Summary/Print on the left, Preview the Return, and Print Your 2015/2016 Tax Return. This will give you a pdf of the return.</p> <p>6. Most of a tax return begins with the Federal Section (or the 1040 summary page). When the Federal Section is open, there are 5 shortcut links at the top (just below the refunds): Income, Deductions, Other Taxes, Payments & Estimates, and Miscellaneous Forms. On the left side are 8 shortcut links: Your Office, Basic Info, Federal section, Health Insurance, State Section, Summary/Print, e-File, 2015 Amended Returns</p> <p>7. From the Summary page, to get to other sections, click on the MENU at the top left.</p> <p>8. To find a form or place to enter data in TS, use either the search box in the upper left Type form numbers or a few letters of the topic (such as "EX" for tax-exempt interest) in the search box and click on the form.</p> <p>9. A Quick File (QF) is a navigation tool in TaxSlayer – <u>after</u> the files are selected for the Quick File. It allows the preparer and/or QR to go directly from one form to another, skipping all the extra navigation pages. When a return is saved, the QF is rearranged to 1040 order. A QF takes you through all the listed forms directly from form to form in the order listed. Two drawbacks to the current QF is that we can't set the order of files or choose to go to one particular file in the set. We have to go through the whole set of QF forms to get to the last form.</p> <p>10. A TaxSlayer profile simply creates a Quick File for that one return. <u>Recommend using a profile when starting a return with more than 3 forms.</u> If the Master Profile is selected in the Practice Lab when starting a return, a Quick File is created containing these forms: W-2, 1099-R, 1099-1NT, 1099-DIV, 1099-B, SSA-1099. Note that the profile can only be chosen when starting a return – easy to accidentally skip. In production, Admin can provide customized profiles and choose the default.</p>			<p>TaxSlayer training link = https://vita.taxslayerpro.com/IRSTraining</p>		
<p>Taxslayer Tips 11-22</p>	<p>11. When unsure where/how in TaxSlayer to enter something, check "Where to Enter in TS" in the QuickGuide for TaxSlayer.</p> <p>12. Direct deposit info is not given until the e-File process has been started.</p> <p>13. State estimated payments are under Federal / Payments & Estimates / State.</p> <p>14. TS Simplified Method worksheet does not work as it should. Use the Annuity-Pension Exclusion Calculator at http://cotaxaide.org/tools/Annuity%20Calculator.html</p> <p>15. TS State Income Tax Refund worksheet does not work. Use the Taxable Refund and Recovery Calculator at http://cotaxaide.org/tools/Refund%20Calculator.html.</p> <p>16. When going back into the State section, we have to go through a number of steps: Click (1)State section, (2)Edit, (3)Enter Myself. If only the county was entered before, we also have to click (4)Continue for the county selected, and (5)YES to add something on the Congratulations page.</p> <p>17. To find a regular <u>calculator</u> in TS, click the taxpayer name in the upper left. Choose Helpful Tools.</p> <p>18. TaxSlayer has a searchable knowledgebase with tax and data entry info at https://www.taxslayerpro.com/kb/. Some info applies only to desktop TS.</p> <p>19. A TaxSlayer manual can be found in Practice Lab. Click taxpayer name / Helpful Tools / User Manual or through taxvolunteers.com 2016 documents.</p> <p>20. A Practice Lab demo is available from OneSupport or a link at taxvolunteers.com.</p> <p>21. Practice Lab updates are applied to new returns -- but are not applied to returns already started.</p> <p>22. As of 2-3-17, "workarounds" are needed for problems with TaxSlayer and are included in the QuickGuide Highlights and Notes when needed. Workarounds are needed for (1)Taxable refunds on 1040 line 10, (2)1040A or 1040EZ in e-file, (3)state withholding on a 1099-INT and 1099-DIV, (4)1099-R Simplified Method, (5)Amended Returns checkboxes on the NC D-400 Sch AM, (6)Child and Dependent Care Credit with >1 Qualifying Dependents, (7)Dependents not living with the taxpayer, (8)foreign tax on NC returns, (9)Health Section for nondependent (listed on return for EIC), (10)RRB-1099-R on NC returns (automatic on SC returns), (11)the addition of QCD's on NC income and as a deduction if itemizing</p>					
<p>TaxSlayer blog</p>	<p>https://vitablog.taxslayerpro.com/</p>					

Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
TaxSlayer Chrome settings	1. Go to chrome://plugins/. Under Chrome PDF Viewer, click "Enable" in both places. You will see the option to "Disable" when done. This allows TaxSlayer pdf's to open and not be saved to the computer. 2. In Advanced Settings / Privacy / Content / Pop-ups / check "Do not allow any site to show popups". Then click "Manage exceptions" and add https://vita.taxslayerpro.com. This allows TaxSlayer videos to work when using Chrome.					
TaxSlayer Hotline	800-421-6346 for Tax-Aide volunteers. 800-829-8482 TaxSlayer phone number to call during tax season to clarify tax law when site references are not clear Mon-Fri 7AM-7PM. Email support@vita.taxslayerpro.com. Provide SIDN and EFIN.					
TaxSlayer Usernames and Passwords in Practice Lab	Usernames in the Practice Lab should include the word TRAIN as part of the username because the same username cannot be used in production. A username (e.g., BILLJTRAIN) can only be used once nationally -- so usernames need something unique (like the EFIN) incorporated (e.g., 895002BILLJTRAIN). Usernames are restricted to 30 characters. Passwords can be changed by clicking Forgot Password on the login screen. After answering a security question, the password can be changed. Helps instructors if everyone at a site uses the same password and security question. Instructors must login to individual accounts to see practice returns.					
TaxSlayer Usernames and Passwords in Production	In NC, we will use the 6 character EFIN of the site plus First Name and First letter of the last name. Usernames are restricted to 30 characters. Passwords must contain a minimum of 8 characters, with at least 1 uppercase letter, at least 1 lowercase letter, at least 1 number, and at least 1 special character					
56	out of scope			Notice Concerning Fiduciary Relationship. Out of scope.		
90-22.1				Now FinCen F114. out of scope. Report of Foreign Bank and Financial Accounts		
114	out of scope			FinCen F114 out of scope. Report of Foreign Bank and Financial Accounts (old 90-22.1)		
982	Income / Other / Cancellation of Debt / 982			In scope only if taxpayer is applying the qualified principal residence indebtedness exclusion (line 1e on form). Not in scope if taxpayer is in bankruptcy or selects the insolvency exclusion. See Cancellation of Debt		
1040				According to the <u>AARP Tax-Aide Scope</u> document, the following lines are out of scope: 7 for all ministers and for other members of the clergy who present issues such as: parsonage/housing allowance, 8-9 if accrued savings bond interest, Interest on bonds bought or sold between interest dates other than for savings bonds, Dependent child under the age of 18 (age 24 if a full-time student), who has unearned income of more than \$2,100, 10 if refund is not for the prior year when it is not clearly fully taxable or fully nontaxable, 14, 15 if additional tax due to excess IRA contributions, Roth IRA distributions that are taxable or partially taxable, IRA rollovers that do not meet the tax free requirements, 16 if General Rule was used, 18, 21 if rental Income when "Not for Profit" or items linked to this line are out of scope or Cancellation of debt income other than nonbusiness credit card debt forgiveness or main home mortgage forgiveness (State Coordinator approval required for latter), 24 unless military, 25 unless HSA, 26 unless military, 28, 29, 35, 44 if boxes a-c (F 8814, F 972, section 962), 45, 48 if >300 (600 MFJ), 54 for boxes a & b, 58 if box b for f8919, 60a, 60b if taxpayers claimed credit and their home is destroyed, condemned or disposed of under threat of condemnation, 62 unless HSA, 66b unless military, 72, 73, 79 ,		
1040A and 1040EZ in print set and e-file				When a full 1040 is not required, TaxSlayer will use the 1040A or 1040EZ in the Summary/Print page pdf and in the e-file. The NTTC solution for this is in <i>TaxSlayer 2016 Tips #8</i> . If you want to force a long Form 1040 for both printing and e-file purposes, add \$1 to Other Income captioned "To force Form 1040" and then add a negative \$1 to Other Income captioned "To force Form 1040 offset." This insures a full 1040 in both the print set and the e-file.		
1040ES or 1040-ES	Payments & Estimates /	K-19		See Estimated. (Note this is not the ACH 1040/ES for direct debit.)		
1040NR	out of scope without cert	L-1		in scope only with Foreign Student certification. Not accessible in Practice Lab. In production, From the Main Menu of TaxSlayer Pro select: Tax Returns. Enter the Taxpayer's SSN or ITIN - Select 'YES' to create a new return. From the Filing Status Menu, select Form 1040NR Program. (TS0 Knowledgebase)		
1040X	2015 Amended Return /	M-1, P-5	17	Out of scope if original return was out of scope or taxpayers who may qualify for an exception to the three year time limit for filing an amended return. See Amended return.		

Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
1045	out of scope			out of scope Application For Tentative Refund		
1066	out of scope			out of scope Quarterly Notice to Resident Interest Holder of REMIC Taxable Income or Net Loss Allocation		
1095-A	Health Insurance / (form shows after say YES to Marketplace ins)	ACA-14		Health Insurance Marketplace Statement If taxpayer does not have the 1095-A, we can call HealthCare.gov (800-318-2596) and get access to one to print for the taxpayer. The taxpayer first gives their agent permission. Then the agent will (hopefully) give us the info over the phone. May involve long wait times. For those who itemize, the amount of Mkt insurance deductible on Sch A for 2016 is the premium paid (1095-A Col A minus Col C) minus any PTC shown on 1040 line 69 or plus the excess PTC on 1040 line 49. This is a rare exception to the IRS rule that deductions can only be made for expenses actually paid during the tax year. In this rare case, a taxpayer cannot deduct a premium paid in 2016 when the taxpayer will be reimbursed with PTC on line 69. And they can deduct the amount that must be paid for excess PTC on line 49. (NTTC ACA slides) If the taxpayer appears to be eligible for PTC but columns B and C are blank, look up the SLCSP and enter it in col B. (ACA-14 in pub 4012)	46.61	
1098	Deductions / Itemized / Mortgage Interest	F-7		Mortgage interest deduction <u>and the real estate tax</u> on the home if paid by the mortgage company. When real estate tax entered here, do not enter again anywhere else.		
1098-C	out of scope			out of scope Contributions of Motor Vehicles, Boats, Airplanes		
1098-E	Deductions / Adjustments / Student Loan Int			see Student loan interest deduction	33	
1098-MA	out of scope			out of scope Mortgage Assistance Payments		
1098-T	Deductions / Credits / Education Credits Income / Other Income / Other Compensation / Scholarships and Grants	J-6	225	Enter the "taxable" amt of scholarships under Income / Other Income / Other Compensation / Scholarships and Grants. Any taxable amt of a scholarship is reported on the student's tax return as earned income (pub 17 p 145). The 1098-T is required for all education credits <u>unless</u> (1)Nonresident alien students, (2)Students whose tuition and related expenses are entirely waived or paid entirely with scholarships or grants, or (3)Students for whom the institution does not maintain a separate financial account and whose qualified tuition and related expenses are covered by a formal billing arrangement with the student's employer or a government agency, such as the Department of Veterans Affairs or the Department of Defense. If scholarship or grant was unrestricted, student can choose to make it taxable and take the adjustment or credit. Pell grants (just as other scholarships) are tax free to the extent used for qualified education expenses. For degree, diploma, or certificate candidates, the taxable amt = scholarship - qualified educational expenses (tuition, fees, books, supplies & equip required of all students in the course). For non degree, diploma, or certificate candidates, the entire amt is taxable. Ask student if scholarship amt is just for 2016 and if more expenses not on form. 1098's are usually incomplete. Ask questions to determine qualified expenses. Boxes 4 & 6 (adjustments) out of scope. See Education Credits on credits for education expenses. See guide document <u>Education Benefits - What to Do in TaxSlayer</u> .		
1099-A	???			Acquisition or Abandonment of Secured Property. In scope for main home		

Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
1099-B	Income / Capital Gain / Capital Gains	D-37/43		Boxes 7-13 are out of scope. If there is ordinary income associated with the sale of a bond, the return is out of scope. Wash sales in scope if reported on brokerage or mutual fund statement. Look at box 6 of the 1099-B to see if the sales commission was included in the sale price. If not, include sales commissions and fees that are not reflected in Form 1099-B Box 1d as a negative adjustment (labeled as "Form 1099-B with Basis in Box 3 is incorrect"). If the basis was not reported to the IRS, enter the correct basis and make no adjustment. If the basis was reported to the IRS, correct the error by entering an adjustment. If inherited from someone who died in 2010, out of scope unless the taxpayer knows the basis and the correct holding period (p D-15 in 4012). Also out of scope if basis determined by a method other than the FMV of property on date of decedent's death, unless the taxpayer provides basis on a doc from estate or 8939. Adjustment codes are given on p D-39/D-40 in pub 4012. A bond that matured or was sold with no gain or loss is entered on the Capital Gains Transaction entry screen with the same amount for sales price and for cost basis. Without carry forward of capital gain losses from prior year, enter on Income / Capital Gain / Other Capital Gains Data. Check the broker statement carefully for "Management" or "Investment fees" which can be deducted on Schedule A Line 23 via Deductions / Itemized / Miscellaneous / Investment Fees.	13	
1099-B broker subtotals and mailing	Income / Capital Gain / Capital Gains	D-37		When there are a lot of transactions, broker statement subtotals can be used, enter the payer name in Description of Property. In Adjustments choose "M - Reporting Multiple Transactions on a Single Row" with zero in dollar amount – unless another adjustment is required. Do not use code M with any other code until TaxSlayer is fixed to put them in alphabetical order. Divide the transactions <u>for each broker</u> into four categories: (A) Short term transactions with basis reported to the IRS, (B) Short term transactions with basis not reported to the IRS, (D) Long term transactions with basis reported to the IRS, (E) Long term transactions with basis not reported to the IRS. Beginning with 2016 efiled returns, "no need to send in Form 8453 with paper copies of documents to IRS.... If taxpayer mailing paper return, attach them (<u>notes below slides</u> in NTTC webinar slides Sept 30 and training slide presentations 17 and 37).		
1099-B Sale of Property Received as a Gift:	Income / Capital Gain / Capital Gains	D-40 replace		The taxpayer is responsible for providing the basis and acquisition date. Property inherited in 2010 may have a carryover basis (the decedent's basis, not fair market value on the date of death) if the estate filed an estate tax return and made the carryover election. In that case, the taxpayer should present Form 8939 with the information. In all other cases, the basis will be the fair market value on the date of death.	13	
1099-C	Income / Other Income / Cancellation of Debt	D-46		In scope only for •Nonbusiness credit card debt cancellation including interest in box 3 and •Main home mortgage debt cancellation <u>IF</u> specific training is provided, with at least two certified counselors comfortable with entries). Interest in box 3 will be in scope beginning 2016. Because only non-business credit card debt forgiveness is in scope, any interest (box 3) would be non-business therefore 100% of debt forgiven is taxable. See Cancellation of Debt		
1099-DIV	Income / Interest and Dividends / Interest or Dividend	D-15		Boxes 2c, 2d, 8, 9 are out of scope. Also out If Box FATCA filing requirement or alternative minimum tax generated F 6251. TaxSlayer Blog says Box 11 should be entered in Other Taxes / Alternative Minimum Tax Form 6251 / Interest from specified private activity bonds exempt	9	
1099-G State Tax Refund	Income / State and Local Refunds	D-11		see State refund		


Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
1099-G Unemployment Compensation	Income/Unemployment Compensation	D-3,8		Fully taxable since 2013. <u>Boxes 7-9 are out of scope.</u> See Instructions For Recipient for box 2 on 1099-G for amounts which may appear in the blank box beside box 9. Amounts in this blank box are interest and are in scope. Not considered earned income. Skip phone number (not required).		
1099-H	out of scope			out of scope Health Coverage Tax Credit		
1099-INT	Income / Interest and Dividends / Interest or Dividend	D-12		out of scope if (1)taxpayer is a nominee or any adjustment is needed to the amount reported, or (2)box FATCA filing requirement, (3)if alternate minimum tax generated F 6251, or (4)anything in box 10, 11, 12, or 13. Since US Savings Bond interest is not taxable by the state, there's a place to click on the Interest screen and enter the amount & choose the state. If State withholding, enter in Payments & Estimates / Other State Withholdings.	8	
1099-K	Income /Profit or Loss (Sch C) / Gross Receipts	D-29		In scope except for any adjustment to amount reported on form. Include the amount from Form 1099-K in the total amount of gross receipts. • If taxpayer receives a Form 1099-K for self-employment income (not for the sale of goods or rental income such as Airbnb), make sure the total shown on the 1099-K is included on Schedule C Line 1. Enter the amount not included on a 1099-Misc in the first field on the Schedule C – Income entry screen. (D-32 replacement page) To itemize gross receipts, press F10 and select 'New'. Enter a description of the source?		
1099-LTC	Deductions / Adjustments / Medical Savings Accounts (8853) (LTC info goes at the bottom of the 8853) Training needed!	F-7		In-scope. Generally, box 1 is excludable income, but reduces the amount of eligible medical expenses reported on Sch A from the same nursing home. If Box 3 per diem is checked on the 1099-LTC, then add Form 8853 and follow instructions for form 8853 to complete the form. Per diem payments (up to \$340/day) on the 1099-LTC will be tax-free after the number of per diem days is entered on the 8853. If <u>all</u> benefits are in box 2 of the 1099-LTC and the terminally ill box is checked on the 1099-LTC, check the terminally ill box on the 8853 and skip the remaining questions.		
1099-MISC, Box 1	Income / Form 1099-MISC <u>and</u> link to Sch E	D-31		When 1099 is completed, click NEW Sch E to link the 1099 to the Sch E. out of scope if any depreciation or expenses. To stay in scope, property taxes must go on Sch A and not Sch C. Rental income from box 1 of a 1099-MISC is linked to line 3 of Sch E.	21	
1099-MISC, Box 2 for gas/oil royalties	Income / Form 1099-MISC <u>and</u> link to Sch E	D-30		If gas/oil royalties, when 1099 is completed, click NEW Sch E to link the 1099 to the Sch E.	21	
1099-MISC, Box 2 for payment to artist	Income / Form 1099-MISC <u>and</u> link to Sch C	D-30		If payment to artist, move entry from box 2 to box 7 nonemployee income, so it will flow to Sch C. Here SPEC guidance says <u>not</u> to Key What You See. (Slide 15 from NTTC webinar Dec 23).	21	
1099-MISC, Box 3	Income / Form 1099-MISC <u>and</u> link to Sch E	D-31		Flows to 1040 line 21. If a 1099-MISC incorrectly has business income in box 3 instead of box 7, do not complete a 1099-MISC. Instead, enter the amount as cash income on Sch C. (from TaxSlayer issue 180)	21	
1099-MISC, Box 6 for Medicaid Waiver payment	Income / Form 1099-MISC			If Medicaid waiver payment, move entry from box 6 to box 3 Other income, so it will flow to 1040 line 21. Here SPEC guidance says <u>not</u> to Key What You See. (Slide 15 from NTTC webinar Dec 23).	21	
1099-MISC, Boxes 5-6 and 8-15	out of scope			out of scope for boxes 5-6 (except Medicaid waiver payment in box 6) and 8-15 and Box FATCA filing requirement.	21	
1099-MISC, Box 7	Income / Form 1099-MISC <u>and</u> link to Sch C	D-30		When 1099 is completed, click NEW Sch C to link the 1099 to the Sch C. See next row for exceptions.	12	
1099-MISC, Box 7 (not on Sch C) for sporadic activity or hobby.	Income / Other Income /Other Inc. Not Reported Elsewhere	D-30		Applies to earnings of the newspaper carrier, <18 years of age (D-3 in 4012) and to income from a sporadic activity or a hobby (1099-MISC instructions for Box 7). No Sch C. Should flow to 1040 line 21. In TS, move entry from box 7 to box 3 Other income, so it will flow to 1040 line 21. Here SPEC guidance says <u>not</u> to Key What You See. (Slide 15 from NTTC webinar Dec 23).	21	

Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
1099-OID	Income / Interest and Dividends / Interest or Dividend	D-13		Enter box 1 as regular taxable interest. Enter box 8 in the TaxSlayer box 3 as Treasury obligations for fed return <u>and</u> exempt for state. Out of scope if •Box FATCA filing requirement •5 Market discount •6 Acquisition premium •10 Bond premium •Adjustment needed or no form received		
1099-PATR	out of scope			out of scope. (since 2013) Taxable Distributions Received From Cooperatives		
1099-Q				If the distribution in box 1 is less than the student's qualifying expenses, then it is not reported. If the distribution exceeds qualified expenses, it is out of scope. Also out of scope if funds were not used for qualified education expenses. Note that qualified education expenses applied to reduce the taxable portion of a distribution cannot be used again for other education benefits, such as an education credit. (D-47 replaced)		
1099-QA		D-44		If the entire distribution is less than qualified disability expenses, the distribution is neither taxable nor reportable. If the distribution is greater than qualified expenses, the return is out of scope. (D-44 replacement)		
1099-R	Income / IRA-Pension Distributions / 1099-R	D-18		Omit % from company address.? <u>See pub 4012 D-23/24 AARP replacement pages to see details on codes.</u> If an IRA and Box 2 is 0 or blank and Box 5 > 0, the amount in box 5 is tax free. If not an IRA and Box 5 > 0, ask taxpayer if \$ taken out for IRA contribution or health insurance. If IRA contribution, enter on Deductions / Adjustments / IRA Deduction. If health ins, note for Sch A deduction. If health or long-term ins for retired public safety officer, subtract the amt (up to \$3000) from the taxable amount on line 2a of 1099-R. Any amt > \$3000 goes on Sch A. If Box 7 code is 1 and an exception applies, see 5329. If Box 7 is code 3 (disability), check the disability question below line 10. This makes the amount go to 1040 line 7. Taxpayers need to be asked the <u>minimum</u> age their employer requires for employees to retire. Out of scope for General Rule, box 7 codes 5, 8, 9, A, D (if net investment income tax applies), E, J (if determined that taxpayer has an exception), K, N, P & R, T (if distribution is wholly or partially taxable). See Simplified Method if taxable amt not shown in Box 2 of 1099-R and employee contributions in Box 9. Note that if the primary annuitant dies while still employed, the secondary annuitant becomes primary and the annuity is no longer considered joint. Code <u>Q</u> : Box 2a should be blank. Flows to 1040 15a. Code <u>J</u> : If the account has existed for less than five years or there were any conversions from a traditional IRA or qualified retirement plan in the last five years, additional taxes apply so the return is out of scope. Otherwise, enter the distribution on Form 1099-R entry screen and select "ROTH Distributions After Conversion." Go to entry screen for Form 8606 and scroll to "Distributions from Roth IRAs." Enter the taxpayer's basis (the amount contributed to or transferred to the Roth, less previous distributions from the Roth, if any). If the distribution is greater than the basis, the excess is taxable, a 10% penalty applies, and the return is out of scope. If not, the distribution is not taxable. Enter zero in Box 2 of the 1099-R If 2 spaces are accidentally entered in a payer name, TaxSlayer automatically deletes extra space.	15,16	
1099-S	Income / Capital Gain and Losses / Sale of Main Home Worksheet <u>or</u> Capital Gains and Loss Items	D-41,43		Incomplete. Need someone to help develop a more detailed entry here. If a 1099-S is received by seller the sale of the home must be reported on tax return. In scope except for: •Sales of business property, F 4797 •Installment sales income, F 6252 •Like-kind exchanges, F 8824 "Since basis is not reported to the IRS, using code E is nice but not essential. For now, let's add the selling expenses to basis and enter the total." Sue Alza 11-04-2016		

Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
1099-SA	out of scope without extra certification Deductions/Adjustment / Health Savings	E-3,4		Out of scope without HSA certification for preparer and Quality Reviewer. Always out of scope if Archer MSA or Medicare Advantage MSA		
1116	Income / Interest & Div / 1099-DIV / Interst or Div / or Deductions / Credits / Foreign Tax	D-5,15 G-2		Foreign Tax Paid in Scope Only For: •Simplified Limitation Election (SLE) if \$300 (\$600 if MFJ) or less. Caution: If foreign tax entered on 1099-Div, then do not enter again anywhere else. Foreign tax on a K-1 doesn't flow to the 1040, so it must be entered in Deductions / Credits / Foreign Tax.		
1127	out of scope			out of scope Extension of Time for Payment of Tax Due to Undue Hardship		
1310	Miscellaneous Forms / Claim a Refund ...	K-13,23		in scope. Statement of Person Claiming Refund Due a Deceased Taxpayer		
2106	Deductions/ Itemized / Job-Related Travel Expenses (Form 2106)	F-7		Form 2106 can be used to claim expenses allowed in Pub 4491 and in Pub 4012 to be deducted on Schedule A -- if there is no employer reimbursement and standard mileage rate is used. In scope otherwise for those with military certification helping military families		
2120	Personal Information / Dependents / Other (not in Practice Lab)	C-7		in scope. Multiple Support Declaration		
2210	Continue through the warning without adding Form 2210			out of scope •Except to zero out entire penalty. Underpayment of Estimated Tax by Individuals, Estates, and Trusts,		
2441	Deductions / Credits / Child Care	G-4,5		Step 1 and Step 2 required. Step 1 has the total amt paid to day care. Step 2 lists how much was paid for each dependent. Step 3 is for rare occasions where expenses are not for a dependent. See child/dependent care for more details.		
2555	Income / Less Common Income / Foreign Earned Income Exclusion (Form 2555)	D-52		in scope for international only		
2848	Not entered in TaxSlayer	K-22/24		In scope if brought in by taxpayer for paper return. "Tax-Aide volunteers should not complete form 2848 on behalf of clients. It is up to the individual taxpayer to complete the form 2848 and bring it to the site for handling with the return" (K-24 in pub 4012). "If e-filing, no need to attach 2848" (NTTC Sept 2016 webinar slide 21 notes)		
3468	out of scope			out of scope. Investment Credit		
3520	out of scope			out of scope. Foreign Trusts / Foreign Gifts		
3800	out of scope			out of scope. General Business Credit		
3903	out of scope without military certification			in scope for those with military certification helping military families		
3922				Nothing to enter in TaxSlayer. Form shows that the taxpayer purchased stock and the exercise price was less than 100 percent of the value of the stock on the date shown in box 1 or was not fixed or determinable on that date. Taxpayer should keep this form and use it to figure the gain or loss when the stock is sold.		
4136	out of scope			out of scope. Credit for Federal Tax Paid on Fuels		
4137	Other Taxes / Tax on Unreported Tip Income	D-9		in scope. Social Security and Medicare Tax On Unreported Tip Income Enter unreported tips on the TS W-2 below line 10. Flows to line 7 of the 1040. If <\$20/month unreported tips, also enter on Other Taxes / Tax on Unreported Tip Income (Form 4137) to avoid extra Social Security and Medicare tax on 1040 line 58.		
4562	out of scope			out of scope. Depreciation and Amortization		




Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
1684	out of scope			out of scope. Casualties and Thefts		
4797	out of scope			out of scope. Sales of Business Property		
4852	Income / Wages check box "This is a substitute"	D-9		in scope. Substitute for F W-2, Wage and Tax Statement, or F 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.		
4868	Miscellaneous Forms / Application for Extension	M-5		in scope. Application for Automatic Extension of Time To File U.S. Individual Income Tax Return		
4952	out of scope			out of scope. Investment Interest Expense Deduction		
4972	out of scope			out of scope. Tax on Lump-Sum Distributions		
5329	Other Taxes / Tax on Early Distribution	G-13 H-1,2	81...	In scope to remove penalty only. If an exception to the additional tax on early distributions applies, Form 5329, Part I, line 2 must be filled in with the code and the amount not subject to additional tax. Examples are med expenses > 10% (7.5% if TP or Spouse is 65 or older) AGI (05), higher ed (08), up to \$10,000 for purchase of first home (09), etc. If you are filing a return only because you owe additional tax on a qualified plan, including an individual retirement arrangement (IRA), or other tax-favored account, you can file Form 5329 by itself. Complete list in Codes 1099-R & 5329_2016 Noting Scope. • For codes 05, 07 and 08, the distributions do not have to be specifically for the stated expenses, but the distribution and the expenses must occur in same tax year (H-1a in p4012)		
5405	Other Taxes / First-Time Homebuyer Repayment	H-1		In scope <u>except</u> for Taxpayers who claimed credit and their home is destroyed, condemned or disposed of under threat of condemnation. See First-time home buyer credit repayment for those who took the 2008 credit.		
5498	Deductions / Adjustments / IRA Deduction			Form 5498 reports total annual contributions to an IRA account. Also reports amounts that rolled over or transferred from other types of retirement accounts into this IRA. When a deduction is claimed for IRA contributions, amounts on the Form 5498 should be referenced.		
5498-SA	Deductions/Adjustments/ Health Savings	E-3		In scope for HSA certification only. Out of scope for •Archer MSA •Medicare Advantage MSA F 5695 Yes <input type="checkbox"/> Residential Energy Credit. Need entry here		
5695 (continued on next row)	Deductions / Credits / Residential Energy ... / (Part II only)	G-1,10	251	Part I Residential Energy Efficient Property Credit is out of scope. Not refundable. If no computed tax, do not bother entering. If Form 5695 isn't used after completing the entire return, remove the form. It would not pass MeF diagnostics when creating /efiling a return. Does TS handle this automatically? 10% credit, up to \$500 for 2006-2016 combined. Primary residence only. Must be placed into service in 2016. Line 20: ask amounts claimed 2006-2015. Line 19: not include labor for insulation, windows, doors, or certain metal & asphalt roofs. (continued on next row)	53	
5695 line 22	Deductions / Credits / Residential Energy ... / (Part II only)	G-1,10	251	Line 22a includes (1)an <u>electric heat pump water heater</u> that yields an energy factor of at least 2.0, (2)an <u>electric heat pump</u> that achieves at least 15 SEER, 12.5 EER, or 8.5 HSPF, (3) a central air conditioner that achieves at least 16 SEER or 13 EER, (4) a natural gas, propane, or oil <u>water heater</u> that has an energy factor of at least 0.82 or a thermal efficiency of at least 90%, (5) a biomass stove to heat home or water that has a thermal efficiency rating of at least 75%. Line 22b: a natural gas, propane, or oil furnace or hot water boiler that achieves an annual fuel utilization rate of at least 95. 22c: an advanced main air circulating fan used in a natural gas, propane, or oil furnace that has an annual electricity use of no more than 2% of the total annual energy use of the furnace. - insulation, exterior windows, doors, certain metal & asphalt roofs, energy-efficient heating & AC systems. Part I of 5695 out of scope.	53	

Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
6251	Other Taxes / Alternative Minimum Tax (Form 6251) / Interest from specified private activity bonds			In scope for entry of interest from Private Activity Bonds (PAB) in TaxSlayer. Out of scope if AMT applies to taxpayer. Alternative Minimum Tax		
6252	out of scope			out of scope. Installment Sales Income		
8275	out of scope			out of scope. Disclosure Statement		
8275 R	out of scope			out of scope. Regulation Disclosure Statement		
8283	Deductions / Itemized / Gifts to Charity / Noncash Donations (more than 500) in scope if <\$5,001 total	F-8 AARP scope under \$5001	168-171	Go to form 8283. (If use 8283, do not enter any "Non-Cash Contributions".) Out of scope for: •Total non-cash contributions in excess of \$5,000 •Donation of motor vehicle, capital gain property, or assets used in business. •Section A, Part II and Section B. (Ignore where 4012 says out of scope.)		
8332	Personal Information / Dependents / Other (not in Practice Lab)	K-22		In scope. Release/Revocation of Release of Claim to Exemption for Child by Custodial Parent NTTC Sept 30 webinar slide says "If e-filing, no need to attach 2848 or 8332". If paper return, attach.		
8379	Miscellaneous Forms / Injured Spouse Form	K-13,P-5		In scope. Injured Spouse Allocation. An injured spouse can request the division of tax overpayment attributed to each spouse.		
8396	out of scope			out of scope. Mortgage Interest Credit		
8453		K-22		in scope. U.S. Individual Income Tax Transmittal for an IRS e-file Return Beginning with 2016 efiled returns, "no need to send in Form 8453 with paper copies of documents to IRS.... If taxpayer mailing paper return, attach 8453 and appropriate documents. (notes below slides in NTTC webinar slides Sept 30 and training slide presentations 17 and 37).		
8582	out of scope			out of scope. Passive Activity Loss Limitations		
8606	Deductions / Adjustments / Nondeductible IRAs	D-23		Only Part I in scope. When the taxpayer (or spouse) receives a distribution from an IRA and was not allowed a full deduction for contributions in prior years (usually evidenced by an 8606 in the prior year's return), then form 8606 must be completed. (1)The "basis" is taken from the prior year 8606 line 14. (2)The taxpayer must provide the "total value" of the IRA's at the end of the tax year. (3)The amount of the distribution comes from the 1099-R. After form 8606 is completed, print the return to pdf and find the <u>taxable amount</u> of the IRA on line 15. Go to the 1099-R for the IRA in TaxSlayer and enter this taxable amount on line 2a.	15,16	
8615	out of scope	A-2		out of scope. Tax for Certain Children Who Have Investment Income of More Than \$2,100. Known as the Kiddie Tax. Note that taxable scholarship amounts (on Income / Other Income / Other Compensation / Scholarships and Grants) are considered <u>earned</u> for determining if the child must file a tax return. However, IF the child is required to file a return, then the taxable scholarship is considered <u>unearned</u> -- & may trigger the out-of-scope Kiddie Tax		
8621	out of scope			out of scope. Information Return By A Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund		
8689	out of scope	H-3				
8801	out of scope	H-3		out of scope. Credit for Prior Year Minimum Tax		
8805	out of scope			out of scope. Foreign Partner's Information Statement of Section 1446 With Holding Tax		
8812	automatically calculated	G-8		in scope. Additional Child Tax Credit		
8814	out of scope			out of scope. Parent's Election to Report Child's Interest and Dividends		
8815	out of scope			out of scope. Exclusion of Interest From Series EE and I U.S. Savings Bonds Issued After 1989		
8821	out of scope			out of scope. Tax Information Authorization		


Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
8829	out of scope			out of scope. Expenses for Business Use of Your Home		
8833	out of scope			out of scope Treaty-Based Return Positive Disclosure Under Section 6114 or 7701 (b)		
8834	out of scope			out of scope Plug-In Electric Vehicle Credit		
8839	out of scope			out of scope. Qualified Adoption Expenses		
8848	out of scope			out of scope. Qualified Adoption Expenses		
8853	Deductions / Adjustments / Medical Savings Accounts (8853) (LTC info goes at the bottom of the 8853) Training needed!			in scope only for sections C. Archer MSAs and Long-Term Care Insurance Contracts. Generally, box 1 is excludable income, but reduces the amount of eligible medical expenses reported on Sch A from the same nursing home. If Box 3 per diem is checked on the 1099-LTC, then add Form 8853 and follow instructions for form 8853 to complete the form. Per diem payments (up to \$340/day) on the 1099-LTC will be tax-free after the number of per diem days is entered on the 8853. If all benefits are in box 2 of the 1099-LTC and the terminally ill box is checked on the 1099-LTC, check the terminally ill box on the 8853 and skip the remaining questions (other than number of days).		
8857	out of scope			out of scope Request For Innocent Spouse Relief		
8862	Deductions / Credits / Earned Income (8862)	I-2		in scope. Information to Claim Earned Income After Disallowance		
8863	Deductions / Credits / Education Credits	J-7		see Education Credits		
8865	out of scope			out of scope.		
8879	Printed automatically	K-21		Must be signed by taxpayer and spouse if joint return upon completion of return and <u>prior to e-filing.</u>		
8880	Deductions / Credits / Retirement Savings	G-7	251	AGI < \$30,750, <46,125 HOH, <61,500 MFJ); born before 1-2-1999; Not a dependent or full-time student; Not military pensions. Enter any distributions. Contributions made by April 15, 2017 count for 2016. Roth contributions get credit, too. A W-2 entry in box 12 or an "X" in the Retirement box or an entry in box 14 is an indicator that the taxpayer may be eligible for this credit. W-2 box 12 entries of D, E, F, G, H, S, AA, or BB are voluntary retirement contributions which automatically flow to the 8880 in TaxSlayer. Voluntary employee contributions (whether taxed or not) are eligible for the retirement savings credit. Employer contributions and mandatory employee contributions (as in some school systems) are not eligible for the credit. When one spouse works and contributes to a retirement account and the other is retired and receives either a pension or a distribution from a retirement account, TaxSlayer correctly applies the Forms 1099-R as a distribution from a retirement account and subtracts the distribution from the contribution amounts. If the distribution is a military pension, an exception applies and the distribution should not be subtracted. In the Form 8880 entry page, enter a negative amount equal to the military pension in the box labeled "qualifying distribution." This will negate the military Form 1099-R and allow the credit.		
8885	out of scope	H-3		out of scope. Health Coverage Tax Credit		
8886	out of scope			out of scope. Reportable Transaction Disclosure Statement		
8888	in e-File process	K-14,15		in scope. Allocation of Refund (Including Savings Bond Purchases). NTTC Tip # 9 on 2017-02-03 says "Unless your site has a great need for this form, we suggest to not activate it as it removes the dual input requirement for routing and account numbers. With the Form 8888, it asks for the numbers once only; without Form 8888, you'll see the dual input screen. Each site should determine whether to use Form 8888 or the dual input screen."		

Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
8889	out of scope without cert Deductions / Adjustments / Health Savings Accounts	E-1,3		Out of scope without HSA certification for preparer and Quality Reviewer. Out of scope for: Part III, lines 18-21 Those with certification should follow pub 4012. Health savings accounts are indicated by (1)a W-2 with a W in box 12, (2)a 1099-SA with an X in box 5, or (3) a 5498-SA which shows HSA contributions. Taxpayer records of contributions can be accepted if they do not have the form. Note that W-2 code <u>W</u> amounts are <u>employer</u> contributions. Form 8889 must be completed. Max contributions for those enrolled all year are \$3350 (\$4350 if age >54) or family \$6750 (\$7750 if age >54) (p4 in i8889).		
8903	out of scope			out of scope. Domestic Production Activities Deduction		
8908	out of scope			out of scope Energy Efficient Home Credit		
8910	out of scope			out of scope Alternate Motor Vehicle Credit		
8911	out of scope			out of scope Alternative Fuel Vehicle Refueling Property Credit		
8917	Deductions/Adjustment / Tuition & Fees	K-1		In scope. Tuition and Fees Deduction. See also Education credits.		
8919	out of scope			out of scope. Uncollected Social Security and Medicare Tax on Wages		
8936	out of scope			out of scope Qualified Plug-in Electric Drive Motor Vehicle Credit		
8938	out of scope			out of scope. Statement of Specified Foreign Assets		
8948	out of scope			out of scope. Preparer Explanation For Not Filing Electronically •Not applicable to Tax-Aide as we are not paid preparers		
8949	Income / Capital Gain and Losses (Sch D)			Mostly automatic.Adjustment codes N,Q,X,R,S,C are out of scope. Wash sales in scope if reported on brokerage or mutual fund statement		
8958	Miscellaneous Forms / MFS Allocation Record for Community Property States (not in Practice L			in scope for MFS returns as limited by Regional or State Coordinator. Allocation of Tax Amounts Between Certain Individuals in Community Property States.		
8959	out of scope			out of scope Additional Medicare Tax		
8960	out of scope			out of scope. Net Investment Income Tax – Individuals, Estates, and Trusts		
8962	Health Insurance	ACA-16		Premium Tax Credit (PTC). See ACA. Note that the MAGI (modified AGI) for each dependent and anyone who could have been claimed (with limited exceptions) who has a filing requirement is entered.		
8965	Health Insurance	ACA		Health Coverage Exemptions. See ACA.		
9452	out of scope			out of scope. Filing Assistance Program		
9465	Miscellaneous Forms / Installment Agreement	K-13		In scope. Installment Agreement Request Adding a Form 9465 to the return will cost the taxpayer \$225 (\$107 with direct debit). Online payment agreement is significantly less (\$149 or \$31 with direct debit.) New-5 in p4012		
13844	out of scope			out of scope. Application For Reduced User Fee Installment Agreement		
AARP Age and Income Limits				According to p 10 of the AARP Foundation Tax-Aide TrainingGuideManual, "The AARP Foundation Tax-Aide program provides free, high quality tax services to low to moderate income taxpayers with special attention on those 50 and older – but there are no age or income thresholds. Returns and attached schedules are completed based on the tax law scope of the program as defined in the AARP Tax-Aide Scope Document and counselor training."		
AARP Foundation web				http://volunteers.aarp.org		
AARP TaxAide Locator				http://www.aarp.org/applications/VMISLocator/searchTaxAideLocations.action		
AARP Expense Reimbursement				For details and guidelines, see the Expense Reimbursements presentation on the NC OneDrive in the DC Meeting Presentations folder.		

Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
AARP OneSupport				Log in to the AARP Portal (OneSupport). Click on OneSupport Help Center. If the portal is not working, log in to https://aarpfoundationtaxaide.zendesk.com/access/normal User = taxaideenduser@gmail.com Password = taxaideenduser1		
AARP OneSupport help				Log in to the AARP Portal (OneSupport). Click on OneSupport Help Center. Click on Submit a Request at the top.		
ACA	Health Insurance	ACA		Follow the ACA Reporting Procedure and ACA Specialist Affordability Tests and ACA Reporting Flowchart. See also the AARP ACA Tool on the OneDrive. For those who itemize, the amount of Mkt insurance deductible on Sch A for 2016 is the premium less the amount of premium tax credit (whether the PTC was received as APTC or as a credit on the return). On form 8962, this is the Column A total minus line 24. Those without coverage or an exemption would have a Shared Responsibility Payment on 1040 line 61. Those who received too much subsidy will have a repayment on line 46.	46 61	
ACA Affordability Calculator				Use when checking affordability, especially for households with employer-offered insurance. On the Affordability Worksheet where asked for monthly costs, enter in the columns provided the annual premium for only the first option that applies to that person.		
ACA Affordability Calculator link				http://cotaxaide.org/tools/ACA%20Affordability%20Calculator.html		
ACA Exemptions	Health Insurance	ACA-5/ 10		See <u>ACA Exemptions</u> guide document, Pub 5157 , 5157a, instructions for form 8965, etc. The ACA Exemptions guide document helps to quickly determine if someone is eligible for a common exemption. With the amounts of premium tax credits available, those with no employer available coverage (and no one on government sponsored insurance, like Medicare) appear to be unlikely to ever qualify for an "unaffordable" exemption unless their household income is <138% or > 400% FPL. If >400%, check at healthcare.gov .	46 61	
ACA Short Gap Exemption	Health Insurance (code B)			The short gap exemption is given when a person goes no more than 2 and only <u>2 consecutive</u> months without insurance or a different exemption -- even if it falls between 2 calendar years.		
ACH 1040/ES	in e-File process	K-19		Direct Debit for Balance Due or Estimated Tax Payment		
Addresses for IRS and NC DOR		P-7		1. IRS not enclosing check: Dept of the Treasury, Internal Revenue Service, Kansas City, MO 64999-0002. 2. IRS enclosing check: Internal Revenue Service, P.O. Box 931000, Louisville, KY 40293-1000. 3. IRS amended return: If responding to a notice from the IRS, send the federal amended return to the address shown in the notice. Otherwise, Department of the Treasury, Internal Revenue Service Center, Kansas City, MO 64999-0052 . 4. NC due a refund: North Carolina Department of Revenue, Post Office R, Raleigh, North Carolina, 27634-0001. 5. NC not due a refund (including amended returns): North Carolina Department of Revenue, Post Office Box 25000, Raleigh, North Carolina, 27640-0640. Amended returns also go to this address.		
Adoption Credit	out of scope		248	out of scope (2 & 28-5 in 4491). Up to \$12,650 for both nonspecial and special needs adoptions. Fully refundable. f8839.	71	
Affordable Care Act		ACA		See ACA	46.61	
Age		F-2,I-2		For deductions, you are considered 65 on the day before 65th birthday. For example, if your 65th birthday is on January 1, 2017, you are considered 65 for 2016. (p 6 in pub 17). For EIC, 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 for EIC. (I-2 in 4012)		
Alerts from IRS for Volunteer Programs				http://www.irs.gov/Individuals/Quality-and-Tax--Alerts-for-IRS-Volunteer-Programs		




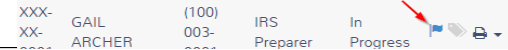


Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
Alimony paid	Deductions / Adjustments / Alimony	E-1,5	132...	MUST have recipient's SSN. Check (especially on Government W-2 or 1099R) to see that the amount of alimony paid is not already deducted from taxable income. If SSN can't be gotten, use SSN 111-00-1111, write "unknown" above SSN, and paper file with explanation why SSN not entered. (Confirmed on VITA/TCE Blog-1-18-17)	31	
Alimony received	Income / Alimony Received	D-4	132...		11	
Alternative minimum tax	out of scope				45	
Amended Return	2016 Amended Return	M-1,2 Replace ment pages	17 	In scope only if the 1040X is for the current year or one of the 3 years immediately prior and the original return was prepared at that same site or re-created based on the return submitted to the IRS. Amended returns can not be efiled. In general Taxpayers are told not to submit amended returns until after they have received their refunds (or in the case of Payment Due, after their checks clear the banks). See Amended Returns in TaxSlayer . As of 2-3-17, incorrect boxes may be checked at the top of Sch AM. Corrections must be handwritten on the paper return. Suggest asking the taxpayer to initial the handwritten entries.		
Amended Return Status				https://www.irs.gov/filing/individuals/amended-returns-form-1040-x-/wheres-my-amended-		
American Opportunity Credit	Deductions / Credits / Education Credits	J-5/10	225...	see Education Credits	50,68	
Annuity-Pension Calculator to calculate the taxable amount	1099-R line 2a or RRB-1099-R line 7a	D-18,19	78 	To be completed only when "Taxable amount" in box 2 of 1099-R is not given and employee contributions are given in line 9b of the 1099-R. Unless errors are corrected in the TS worksheet, recommend not using the TS Simplified Method worksheet (because it does not provide all the info needed, does not permit other exclusions (like the public safety insurance), and is sometimes incorrect, e.g., Yale return). Unless have printout of previous year SimplifiedMethodCalculator or Annuity-Pension Calculator, calculate line 7a taxable amount using the Annuity-Pension Calculator at https://cotaxaide.org/tools/Annuity%20Calculator.html Be sure to click "Show TS input" and print. The printout will show the exclusion for all future years. For Simplified Method calculations when a taxpayer with a joint annuity dies before annuity payments are started, the annuity is no longer considered joint -- and the surviving annuitant becomes the only annuitant for the calculations.		
Annuity Calculator link				https://cotaxaide.org/tools/Annuity%20Calculator.html		
Annuity-Pension Calculator print				After clicking "Click here to Calculate", be sure to print the calculator results to be used in future years! Then the calculator will not be needed again for the client. In Internet Explorer, Page Setup needs to be set with the box checked to print background colors and images.		
Bad debt	out of scope			out of scope. Not trained for this.		
Bailey exclusion for NC taxes	State / Subtractions / line 1			See the Bailey-RR-PensionChart and the BaileyPensionList. Bailey pensions are Fed or NC state or NC local government pensions vested by Aug 12, 1989. Vested usually means started employment by Aug 12, 1984 . If Bailey, go to State/Subtractions and enter the amount reported as taxable (from box 2 of the 1099-R or box 1 of a W-2) on the first line. Time in the military does not count toward being vested in a federal pension paid by the Office of Personnel Management. Payments from the Disability Income Plan of NC reported on a W2 are also considered Bailey pensions if the person was vested. See Disability Income Plan of NC.	16	
Balance Due (if cannot pay on time)	Miscellaneous Forms / Installment Agreement (Form 9465)	K-16/18		Can request a Full Pay Within 60 or 120 day Agreement. Penalty & interest still charged, but there's no fee. Can pay balance with credit card (with fee). Can file Online Payment Agreement (OPA) for a fee to pay installments (with penalty & interest still charged).		


Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
Basic Information		K-7/11		See Names in TaxSlayer, Deceased taxpayer, Dependents/Exemptions, Head of Household, Disability, Married or unmarried, Paper returns, Single, Widow/widower. Since support is not an issue for EIC, those living in the household need to be entered even if not dependent exemptions.		
Bitcoin	out of scope			Transactions in virtual currencies (such as Bitcoin) are out of scope (p11-2 in pub 4491)		
Blind	Basic Information / Personal Information	F-2	142	<20/200 with glasses/contacts or field of vision < 20 degrees <u>in the better eye</u> .		
Blog for TS updates & Bonds Sale		D-40		A bond that matured or was sold with no gain or loss is entered on the Capital Gain Worksheet with [the same amount for sales price and for cost basis. If the sale of a bond is reported on a brokerage statement with a gain or loss but no ordinary income, enter it on the Capital Gain Worksheet as reported.		
Brokerage investment or mgt fees	Deductions / Itemized / Miscellaneous / Investment Fees	D-8		Investment fees are deductible and may tip balance in favor of itemizing.		
Business codes lookup				http://www.census.gov/cgi-bin/sssd/naics/naicsrch		
Business income/expense	Income / Profit or Loss	D-32		See Sch C If there's a 1099-MISC, then start with the 1099-MISC and link to the Sch C.	12	
Calculator				Click the <u>taxpayer name</u> in the upper left. Choose <u>Helpful Tools</u> . Choose <u>Calculator</u> .		
Canadian				Canadians have a # for their old age pension that looks like a SSN. Do not use this # on US tax return. Ask if they have a US SSN (p 2 in 4491). For Canadian address, enter <u>entire</u> address on foreign street address line. Social Security benefits paid by Canada & Germany are entered the same as U.S. Social Security on Wkt 1 (p 5 pub 915). TP must provide funds conversion (usually converted by bank when deposits made) or go to www.bankofcanada.ca .		
Cancellation of debt (credit card)	Income / Other Income / Cancellation of Debt	D-46/48	89	Now part of Advanced certification. Cancellation of nonbusiness indebtedness or cancellation of debt (the amount in box 2 of Form 1099-C or an amount less than \$600 provided in other documentation) must be reported as ordinary income on Income / Other Income / Cancellation of Debt. Flows to 1040 line 21. No additional supporting forms or schedules are required for reporting income from canceled credit card debt. Interest in box 3 will be in scope beginning 2016. Because only non-business credit card debt forgiveness is in scope, any interest (box 3) would be non-business therefore 100% of debt forgiven is taxable.		
Cancellation of Debt (principal residence)	Income / Other Income / Cancellation of Debt <u>and</u> State / Additions / Other /	D-49...	89	In scope IF specific training is provided, with at least two certified counselors comfortable with entries. See <u>Cancellation of Mortgage COD Flowchart</u> on OneDrive in AARP folder. On form 982, (1)check TP or Spouse, (2)Check the box for Discharge of qualified principal residence indebtedness, (3)Enter the amount of primary mortgage debt cancelled (Form 1099-C Box 2), (4) if the taxpayer had a portion of the mortgage debt cancelled but kept the home, enter the amount of debt cancelled in Part II, Reduction of Tax Attributes, on the line for "Applied to reduce the basis of your principal residence." if the taxpayer disposed of the home due to foreclosure or Abandonment, and the lender cancelled the remaining mortgage debt, see D-52 & <u>Cancellation of Mortgage COD Flowchart</u> . If the cancellation of debt was excluded from income on the federal return, enter the amount on State / Additions / Other (flows to line 3 of NC Sch S) -- unless TS is fixed to add it automatically. Since it is not deductible in NC, it must be added back to NC income.		

Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
Capital gain distribution	Income / Interest and Dividends / Interest or Dividend / Dividend	D-15		Capital gain distribution is owner's portion of capital gains that were realized when mutual fund sold assets. If re-invested, the basis of the new shares is equal to capital gain distribution.		
Capital gains and losses	Income / Capital Gain / Capital Gains	D-37/43		See 1099-B	13	
Capital gains and losses on K-1	Income / Other Income / K-1 Earnings / Sch K-1	D-53,54			13	
Capital loss carryover	Income / Capital Gains / Other Cap Gains Data	D-36		Find carryover losses at bottom of Capital Loss Carryovers Worksheet (lines 8 and 13 in Sch D Wkt 2) in last year's return Enter as positive numbers in Sch D line 6 (short-term) & line 14 (long-term).		
Carryforward				There will be no carryforward data for TaxSlayer for 2016.		
Casualty & theft losses	out of scope	F-3		out of scope		20
Certain business expenses	out of scope			out of scope (except for those with military certification helping military families)	24	
Certification & Testing for Tax-Aide				Note that volunteers get only two chances to pass the online tests.		
Certification tests				https://www.linklearncertification.com/d/		
Charities eligible for donations	Deductions / Itemized / Gifts to Charity		164	http://apps.irs.gov/app/eos/		16
Charities eligible for donations	Deductions / Itemized / Gifts to Charity			1-877-829-5500		16
Charity gifts by cash or check	Deductions / Itemized / Gifts to Charity / Cash	F-8	164	Must have receipt, bank record, or credit card record. A check that you mail to a charity is considered delivered on the date you mail it. Gifts to the following are not deductible: 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.		16
Charity gifts <u>not</u> by cash or check	Deductions / Itemized / Gifts to Charity / Noncash	F-8	170	Fair market value = the price paid in consignment or thrift shops. If at least \$250, must have the organization's written acknowledgment stating whether the taxpayer received any goods/services in return and a description & good faith estimate of items. If >\$500, must use form 8283. See 8283.		17
Child support pay (non-		D-1	134,233	"neither deductible by the payer nor includible in income by the recipient."		
Child tax credit	<u>auto calculated</u>	G-8,9	224	Dependent; age < 17. Lived with taxpayer > half year (counting temporary absences like school -- with exceptions for noncustodial divorced parents, G-9); Child not provide > half own support. US citizen or national or resident; Son, daughter, adopted child, foster child, brother, sister, half brother/sister, stepbrother/sister, or descendant of any of them. The NC child tax credit is automatic. Do not enter anything on the "Credit for Children Under 17" page.	52	
Child tax credit, additional	<u>auto calculated</u> in form 8812	G-8,9	224	Refundable; Taxable earned income > \$3000 or 3 or more children.	67	

Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
Child/dependent care credit	Deductions/ Credits / Child Care Credit	G-3,4,5	214	Child < 13 or any age disabled (Note that a child who shows to be 14 at the end of the tax year may have been 13 the first part of the year); Must live with taxpayer > half year. Must be while taxpayer (and spouse) works, looks for work, attends school, or is disabled; Must have earned income; Cannot be paid to anyone who could be claimed as a dependent or to your child under age 19. Only custodial parent can claim this credit. <u>Other conditions listed on G-3 in pub 4012 and pub 17.</u> In step 1, enter info about the provider and the <u>full</u> amount paid the provider. In step 2, enter the <u>full</u> amount paid for each dependent. In step 3, enter the info and Qualifying Expenses paid for any Qualified Persons, not listed Step 2. TS will automatically carry any dependent care benefits from a W-2 to the 2441. The amount of the employment-related expenses that may be taken into account is limited to \$3,000 if there is one qualifying individual and \$6,000 if there are two or more qualifying individuals. The limits are for the number of qualifying individuals, not the amounts spent for each. However, if there are expenses for only one individual, TaxSlayer reduces the allowable amount to \$3,000. In this case, enter \$1 for the individual with no expenses and the balance for the other individual.	49	
Child's investment income		A-2		Child can have \$2,100 investment income without paying at parents' rate on fed return. Out of scope if dependent child under the age of 18 (age 24 if a full-time student) has investment income > \$2,100 (Tax-Aide Scope). Note that taxable scholarships are considered earned income to determine if required to file. If required to file, then considered unearned.	8,9	
Chrome settings for TaxSlayer				Go to chrome://plugins/. Under Chrome PDF Viewer, click "Enable" in both places. You will see the option to "Disable" when done. This allows TaxSlayer pdf's to open and <u>not be saved to the computer.</u> In Advanced Settings / Privacy / Content / Pop-ups / check "Do not allow any site to show popups". Then click "Manage exceptions" and add https://vita.taxslayerpro.com .		
Commissions & fees for stock sales	Income / Capital Gain / Capital Gains	D-37		Include sales commissions and fees that are not reflected in Form 1099-B Box 2a by choosing "Other Adjustments"??? .		
Contributions	Deductions / Itemized / Gifts to Charity	F-8	164...	If noncash contributions > \$500, enter all noncash contributions on 8283 . See 8283. The following are not deductible: 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.		
County	State / Basic Info			If TP did not live in this county, use drop-down menu & choose the county from the list. (If itemize, enter sales tax for that county on the Sales Tax Wkt attached to Sch A.)		
CPO3A	Other Taxes / First-Time Homebuyer Repayment	H-1		The CP03A notice is for taxpayers who collected a first time home buyer credit in 2008 only. See First-time home buyer credit repayment.	60b	
Credit card debt	Income / Less Common / Cancellation of Debt	D-46/48		Now included in Advanced training. Interest in box 3 will be in scope beginning 2016. Because only non-business credit card debt forgiveness is in scope, any interest (box 3) would be non-business therefore 100% of debt forgiven is taxable.		
CSA 1099-R	Income / IRA-Pension Distributions / 1099-R	D-18		See 1099-R.		
Debit balance due	in e-File process	K-19		See also Balance due.		


Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
Deceased taxpayer or taxpayer who died	Basic Information / Personal Information	K-8,13,23	81	<p>If taxpayer or spouse died in 2017, proceed with e-file. On taxpayer's copy of Form 8879, notate the capacity of the signer, usually "As Surviving Spouse." (K-23) "It's possible that the IRS might reject the return. If so, you may need to paper file the returns or delay the filing. TaxSlayer is aware of the issue and working to remedy the situation." (NTTC Tips 2017-02-03)</p> <p>If a state return is to be signed by an Executor or Administrator, there's a box to be checked in the State Basic Information section.</p> <p>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. A surviving spouse can sign the return for the deceased spouse and enter "Filing as surviving spouse" in the area where the return is signed.</p> <p>If filing a paper return, write "Deceased," the decedent's name, and the date of death across the top of the tax return.</p> <p>If a SSN that has been "locked" by the Social Security Administration because the individual is deceased, the return must be paper filed.</p> <p>For Simplified Method calculations when a taxpayer with a joint annuity dies <u>before</u> annuity payments are started, the annuity is no longer considered joint -- and the surviving annuitant becomes the only annuitant for the calculations.</p>		
Deceased dependent /dependent who died	Basic Information / Dependents	K-11		If a dependent was born or died during the tax year, enter "12" as the months in home on the Main Info Sheet (pub 4012 p K-11).		
Deductions, itemized	Deductions / Itemized	F-3/13		See Charity, Medical, Taxes, etc.		all
Deductions, itemized vs standard	Deductions / Compare Deductions			Gives standard deduction and the amt of itemized deductions entered to this point.		
Dependent Qualification Calculator	Basic Information / Dependents	Tab C		A fairly simple web tool that can help to determine exemptions, head of household, etc. https://cotaxaide.org/tools/Dependent%20Qualification%20Calculator.html	6	
Dependent care		G-3,4,5		See row for Child/dependent care credit		
Dependents: Requirements for filing in NC				<p>If a taxpayer is claimed on someone else's return, be sure to "Check here if the Taxpayer can be claimed as a dependent on someone else's return" in Basic Info / Personal Info.</p> <p>See A-2 in pub 4012 to determine if dependent is required to file.</p> <p>Note that there is no longer a separate chart for children and other dependents in NC.</p>		
Dependent child with investment income		A-2		Out of scope if under the age of 18 (age 24 if a full-time student) & has investment income > than \$2,100.		
Dependents/exemptions	Basic Information / Dependents	Tab C		<p>Except for qualifying child, income < \$4050. Can be a non-relative living 12 mo in the household (C-3, step 2 for qualifying relative) or relative not living with you (list on C-3 step 2). Dependents do <u>not</u> have to be listed by age in TS (TRS webinar 9-30-16), See guide document <u>Exemptions for Dependents Chart</u> or IRS Interactive Tax Assistant. The <u>Dependent Qualification Calculator</u> is a fairly simple web tool that can help determine exemptions, head of household, etc. https://cotaxaide.org/tools/Dependent%20Qualification%20Calculator.html</p> <p>The NTTC has confirmed with IRS that "Counselors do not need to list the could-be dependent on the return nor claim an exemption for them" (slide 24 in ACA slides and 1:30:00 in NTTC December webinar). The taxpayer would not be responsible for the ACA SRP for an unclaimed dependent. However, since support is not an issue for EIC, the could-be dependent could still qualify the taxpayer for EIC.</p>	6	
Dependents not living with the taxpayer	Basic Information / Dependents	Tab C		For example a sibling or parent, use "other reasons" in the drop down menu for months lived in home. (NTTC Tips 2017-02-03)		








Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
Dependents, Unclaimed	Basic Information / Dependents	Tab C		Nondependent (listed on return for EIC) — mark as having full coverage all year so no SRP computes for them. An unclaimed dependent cannot claim their own exemption deduction, but they are allowed credits for education (AOC or LLC) and retirement savings. TaxSlayer will not allow either credit and there is no way to manually fix this. Estimate the amount and advise taxpayer to go to a paid preparer (or to come back later in the season to see if TaxSlayer has fixed it). (NTTC Tips)		
Depletion allowance for gas/oil reserves	out of scope			out of scope		
Diary	Notes 			Use " Notes " for all important notes in TaxSlayer. 		
Direct debit	in e-File process	K-19		Not recommended unless TP insists on it. If there is an error, no one knows until taxpayer gets letter from IRS with past due interest and penalties for nonpayment. Warn taxpayer to check account to assure it was done. If missed for whatever reason, it will be a problem for the taxpayer -- not IRS. For checking, routing and account #'s must come from a check (not last year's tax return or deposit slip) or official card or letter from the bank. For savings, #'s must be on something official (not a deposit slip) from the bank. The required "Debit Telephone #" should be the taxpayer's telephone number. TaxSlayer is working to add a requested debit date; until then, it defaults to April 15, 2017. Advise the taxpayer accordingly. Direct Debit is now a choice with a NC tax return, too.	76	
Direct deposit	in e-File process 8888 not in Practice Lab	K-14,15		For checking, routing and account #'s must come from a check (not last year's tax return or deposit slip) or official card or letter from the bank. For savings, #'s must be on something official from the bank (not a deposit slip). Joint refund should go to joint account, because some financial institutions will not accept joint deposit to single account. Form 8888 in e-File if in two or more accounts. Form 8888 not available in Practice Lab 2015 or 2016.	76	
Disability	Basic Information / Dependents and 1099-R checkbox and Deductions / Credits / Credit for the Elderly or Disabled (Schedule R)	C-1 D-20, 22,23 G-11		Permanently and totally disabled if (1)cannot engage in any substantial gainful activity because of a physical or mental condition and (2)a doctor determines the condition has lasted or can be expected to last continually for at least a year or can lead to death (C-1). If Box 7 on a 1099-R is code 3 (disability), then <u>check the disability question below line 10</u> . This makes the amount go to 1040 line 7. For those who received "taxable disability benefits" and are eligible for the <u>elderly and disabled credit</u> due to income and <u>age or disability</u> , we must go to Deductions / Credits / Credit for the Elderly or Disabled (Schedule R) and enter the appropriate information. Not automatic for those age 65 or those disabled. MFJ not eligible.		
Disability Income Plan of North Carolina	W-2 as usual + State/Subtractions			NC income bulletins state on p 25 that short & long-term benefits qualify for the Bailey exclusion for those vested. Go to State/Subtractions and enter the amount reported as taxable (from box 1 of the W-2) on the first line.		
Disabled dependent	NC benefit eliminated					
Dividend income	Income / Interest and Dividends / Interest or Dividend	D-15			9	
Dividend income from insurance policies		D-1		Dividends on an insurance contract (other than a modified endowment contract) are a partial return of the premiums paid. Do not include them in income until they are more than the total of all net premiums you paid for the contract. Report any taxable distributions on insurance policies on Form 1040, line 21.	9	
Domestic production	out of scope			out of scope f8903 (17-2 in 4491)	35	


Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
Due date for tax returns		13		Tuesday, April 18, 2017		
Due diligence		I-7		Generally, as an IRS tax law-certified volunteer, you can rely in good faith on information from a taxpayer without requiring documentation as verification. However, part of due diligence requires asking a taxpayer to clarify information that may appear to be inconsistent or incomplete. When reviewing information for its accuracy, you need to ask yourself if the information is unusual or questionable.		
Early Distribution from Retirement	Other Taxes / Tax on Early Distribution (5329)	G-13 H-1,2	82	See 5329		
Early withdrawal penalty	Income / Interest and Dividends / Interest or Dividend	D-4,13		After entered on 1099, shows on 1040 line 30.		
Earned income for EIC examples		I-1		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		
Earned income credit with a "qualifying" child	e-File process if needed	Tab I	231	<p> Appropriate questions must be asked of the taxpayer to determine eligibility for EIC. See the guide document <u>Due Diligence Questions for EIC, etc</u> (from pub 4012 pp I-6/9).</p> <p>If income is from a Sch C and asked about "Documents Used to Confirm Business Existence and Income", check (1)"Taxpayer summary of income", (2)"Taxpayer summary of expenses", and (3)any other box that applies to the taxpayer.</p> <p>Max \$3,373 with 1 qualifying child, \$5,572 with 2, \$6,269 with >2. TP, spouse, and QC must all have valid SSN; US citizen or resident alien; Cannot file MFS; TP investment income <\$3401; Taxpayer (& spouse) cannot be qualifying child of another taxpayer (whether claimed or not); AGI <\$39,296 (\$44,846 MFJ) with one child or <\$44,648 (\$50,198 MFJ) with two or <\$47,955 (\$53,505 MFJ) with > two; Not file form 2555; Child <19 or full-time student <24 or totally disabled; Child younger than taxpayer or spouse (unless disabled); OK not dependent; Son, daughter, stepchild, adopted child, eligible foster child, brother, sister, half brother, half sister, stepbrother, stepsister, or descendant of any; Lived with the Taxpayer (or spouse if MFJ) > half year; Child not married or married & dependent of taxpayer; Child cannot be used as qualifying child of more than one taxpayer. Support is not an issue. Those living in the household need to be entered on the <u>Dependent/Qualifying Person</u> forms even if not dependent exemptions.</p> <p>Taxable long-term disability benefits prior to min age retirement counts as earned income.</p>	66a	




Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
Earned income credit <u>without</u> a "qualifying" child	e-File process if needed	Tab I	231	<p>Appropriate questions must be asked of the taxpayer to determine eligibility for EIC. Then in TaxSlayer, see I-6 and 7 for appropriate answers to due diligence questions. Answer YES to the 4 questions (1)"Did you complete form 8867 and/or perform the due diligence ...?", (2)"Did you ask this taxpayer any additional questions that are necessary ...?", (3)Did you document the additional questions ...?", (4)"Did you comply with the EIC due diligence knowledge requirements?"</p> <p>Answer NO to the question "Did you keep the records found below?"</p> <p>For "Documents used to determine Residency", we normally check the last box "Did not rely on any documents".</p> <p>If income is from a Sch C and asked about "Documents Used to Confirm Business Existence and Income", check (1)"Taxpayer summary of income", (2)"Taxpayer summary of expenses", and (3)any other box that applies to the taxpayer.</p> <p>Max \$506. Age 25-64 (either spouse if MFJ); Valid SSN; US citizen or resident alien; Cannot file MFS; Investment income < \$3350; Taxpayer (& spouse) not eligible if can or could be dependent or qualifying child of another; (Could have a nonqualifying child); AGI < \$14,880 (\$20,430 MFJ); Main home of Taxpayer (<u>and</u> spouse if MFJ) in US > half year; Not file form 2555.</p>	66a	
Education credits	Deductions / Credits / Education Credits	Tab J	225	<p>See flow chart and guide document <u>Education Benefits - What to Do in TaxSlayer</u>.</p> <p>See also Tuition...; For taxpayer or dep. Ed in 2016 or first 3 months of 2017. Not file MFS. AOC credit first 4 postsecondary years and limited to 4 tax years, pursuing degree (or certificate or diploma) from an eligible ed institution (see next row), enrolled at least half time for one academic period. No felony drug conviction for AOC (OK for Lifetime). AOC better if eligible. (100% first 2000, 25% next 2000). Up to 40% AOC refundable (limit \$1,000). AOC includes books, supplies, & equip purchased anywhere. Lifetime includes books, supplies, & equip only if required to be paid to institution. Computers only if required for enrollment or attendance. Not room/board, insurance, transportation, any paid by scholarship, or sports, games, hobbies, noncredit course (unless required or job related). Payment by third party considered paid by taxpayer. MAGI<\$65,000 (\$131,000 MFJ) for Life; MAGI<\$90,000 (\$180,000 MFJ) for American Opportunity Credit. As of 2-3-17, TS requires the name and address (but not EIN) of the educational institution for the Lifetime Learning credit.</p>	50	
Education credits: Search for eligible institutions for AOC		J-5		http://ope.ed.gov/accreditation/Search.aspx		
Education credits calculator link				https://cotaxaide.org/tools/Education%20Calculator.html		
Education credits calculator tips				<p>When using the calculator, it is important to (1)complete everything else in the return before considering education expenses, (2)use the calculator before entering any scholarship or education expenses info in TaxSlayer, (3)read the Instructions tab and the other instructions in other tabs, (4)complete the tabs for Taxpayer Info, Funding Sources, Expense Info, and Optimizer.</p> <p>On the Expense Info tab, reasonable "Living Expenses" must be entered. In my experience, reasonable living expenses are always more than the maximum Pell grant. All info entered in the Optimizer tab comes directly from TaxSlayer (before any scholarship or education expense is entered), so the first box for "TS Schol & Grants" should be blank unless the calculator is being used a second time for a second student in the taxpayer's household.</p>		

Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
Educator expenses	Deductions / Adjustments / Educator + excess > \$250 per educator as Deduction	E-2 New-4	141	Teacher, instructor, counselor, principal, or aide in K-12. Supplies & equip "appropriate for your profession as an educator"; Now includes "certain expenses related to professional development courses the taxpayer takes related to the curriculum they teach or to their students" (New-4). Must have been employed >= 900 hours (E-3 in 4012). Limit of \$250 per educator on line 23 of the 1040. Expenses above the limit can be used on line 21 of Sch A.	23	
Elderly or disabled credit	<u>auto calculated</u> on Sch R for those >65 <u>For disabled</u> , Deductions / Credits / Credit for the Elderly or Disabled	G-11	221	AGI <\$17,500 if S, HoH, W with dependent child, <\$20,000 if MFJ and one spouse qualifies, <\$25,000 if MFJ & both eligible, <\$12,500 if MFS. Nontaxable Soc Sec & nontaxable pensions <\$5,000 if S, HOH, W with dependent child, <\$5,000 if MFJ and one spouse qualifies, <\$7,500 if MFJ & both eligible, <\$3750 MFS. For those eligible for the elderly and disabled credit due to income and <u>age or disability</u>, we must go to Deductions / Credits / Credit for the Elderly or Disabled (Schedule R) and check the appropriate boxes. Not automatic for those age 65 or those disabled.	54	
Electronic documents				The use of electronics documents was authorized in a SMT Roundup dated 3/5/14. W-2's, etc. can be accepted on a smartphone or tablet computer -- if legible. Flash drives are not accepted due to the risk of a virus or malware.		
Employee expenses unreimbursed	Deductions / Itemized / Unreimbursed Employee Business Expense	F-7	193	Will we use form 2106 in TS ? Not helpful to taxpayer unless business & misc. expenses > than 2% of AGI		21
Energy credits	Deductions / Credits / Residential Energy ... / (Part II only)	G-10	251	See 5695	53	
Entertainment expenses		F-10,11				
Estimated <u>federal</u> taxes paid in 2016	Payments & Estimates / Federal Estimated Payments	H-3		Record any refund applied from last year on first line and then quarterly payments.	65	
Estimated <u>state</u> taxes paid in 2016	Payments & Estimates / State Estimated Payments	H-3		Record any refund applied from last year on first line and then quarterly payments. Note that the 4th payment can go one line if paid by Dec 31 and different line if paid after Dec 31. Ask the taxpayer when it was paid.	65	
Estimated <u>state</u> taxes paid with prior year return	Payments & Estimates / State Estimated Payments	H-3		Record any refund applied from last year on first line.	65	
Estimated tax penalty	Payments & Estimates / Underpayment of Estimated Tax	H-3		If a penalty is calculated on 1040 line 79, then go to Payments & Estimates / Underpayment of Estimated Tax and fill out the form. Check the box to request a waiver, and use reason of "To be calculated by IRS".	79	
Estimated tax to be paid from overpayment	Payments & Estimates / Apply Overpayment State / Payments/ Apply your State Refund	K-19		The amount of overpayment the taxpayer wants to apply to 2017 taxes can be entered here. If estimated vouchers are needed, go to Payments & Estimates / Vouchers for Next Year or State / Miscellaneous Forms / Estimated Payment Vouchers. For state, the amount of overpayment the taxpayer wants to apply to 2017 taxes can be entered directly on the State / Payments/ Apply Your State Refund.	77	
Estimated vouchers for next year	Payments & Estimates / Vouchers for Next Year <u>or</u> State / Miscellaneous Forms / Estimated Payment Vouchers	K-19		Type in the amount for each quarter.		


Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
Exemptions - personal exemption	Basic Information / Dependents/Qualifying Person	C-1,2		Taxpayers who <u>can</u> be claimed as a dependent on someone else's return cannot claim any exemptions for themselves or their own dependents.	6	
Exemptions for dependents	Basic Information / Dependents/Qualifying Person	Tab C		Except for qualifying child, income < \$4050. Can be a non-relative living 12 mo in the household (C-3, step 2 for qualifying relative) or relative not living with you (list on C-3 step 2). See guide document Exemptions for Dependents Chart or Dependent Qualification Calculator. See also Identity. Support is not an issue for EIC. Those living in the household need to be entered on the Main Information Sheet even if not dependent exemptions. The Dependent Exemption Calculator is a fairly simple web tool that can help to determine exemptions, head of household, etc. https://cotaxaide.org/tools/Dependent%20Qualification%20Calculator.html	6	
Expense Reimbursement AARP				For details and guidelines, see the Expense Reimbursements for NC Tax-Aide on the NC OneDrive .		
Expense Statement for AARP Excel Spreadsheet				Excel spreadsheets are no longer used by AARP for reimbursements.		
Extension, filing for		M-5		See Filing for an extension		
Farm income	out of scope			out of scope	18	
Feb-29		K-8		Must enter year first.		
Filing basics				See SSN/Name match		
Federal Tax Paid on Fuels credit	out of scope			out of scope (28-5 in 4491). f4136	72	
Filing for an extension	Miscellaneous Forms / Application for Extension (4868)	M-5		1. Complete return as accurately as possible. 2. Go to Miscellaneous Forms / Application for Extension (4868) and complete the form. 3.. Print return & write "NOT FILED Extension Requested" across the top of return. 4. Taxpayer must send in Form 1040-V with payment. 5. Make sure taxpayer understands they still have to file a return by October 15.		
Filing Requirements		Tab A		See guide document <i>Who Should File</i> . If not filing, tax counselor should follow local policy, such as give client letter saying no need to file.		
Filing Status	Basic Information / Filing Status	B-1,2,3 K-7		See guide document <i>Head of Household Chart</i> or IRS Interactive Tax Assistant or Trifold. "Do NOT use the Wizard. It has errors." (4012 K-7)		
firefighter or rescue volunteer	NC benefit eliminated			NC benefit for resuce volunteers and firefighters was eliminated in NC, beginning 2015. See public safety officer for health insurance deducted from 1099-R for public safety officers.		
First-time homebuyer credit repayment	Other Taxes / First-Time Homebuyer Repayment (5405)	H-1	8, 207	 Line 4 is the amt of the 2008 credit. Enter the amount to be paid on line 8b. Those who received a credit on their 2008 tax return must pay back in 15 equal payments beginning with 2010 return. If MFJ, then 2 separate 5405 forms must be completed with 250 for the taxpayer and 250 for the spouse. If the home ceases to be the taxpayer's main home before the 15-year period is up, the taxpayer must repay all the remaining installments. If a taxpayer received the 2009 credit and the home ceases to be the main home within 36 months of the purchase date generally must repay the credit. IRS now provides a First Time Homebuyer Credit Account Look-up at http://www.irs.gov/Individuals/First-Time-Homebuyer-Credit-Account-Look-up	60b	
Foreign addresses on forms	Basic Information / Personal Information	K-9		Check the box for Foreign Address and appropriate lines will appear. If you enter a foreign address and the country does not use postal codes, enter 0 (zero) for the postal code.		
Foreign earned income	Income / Less Common Income / Other Compensation / Foreign Earned Compensation	D-55/60		in scope for international only		

Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
Foreign earned income exclusion	Income / Less Common Income / Foreign Earned Income Exclusion (Form 2555)	D-55/60		in scope for international only		
Foreign tax credit on a 1099-DIV	Income / Interest & Div / 1099-DIV / Interst or Div <u>and</u> State / Credits / Credit for Taxes Paid to Another "State" (until fixed in TS, leave state as "--Select--")	D-15 G-1,2	249 	If <301 (601 MFJ), enter amount on form 1099-DIV and it will flow to the 1040. As of 2-3-17, TS does not have a place for this. Enter as a tax paid to another state and leave state as "--Select--". This will translate to "foreign" in TaxSlayer For NC, enter the amount of income taxed by the foreign country first and then the foreign tax on the next line. If a taxpayer has a large amount of foreign tax, he could claim an itemized deduction for <u>all</u> the foreign income taxes (cannot split between credit and deduction).	48 	
Foreign tax credit on a 1099-INT	Income / Interest and Dividends / Interest <u>and</u> State / Credits / Credit for Taxes Paid to Another "State" (until fixed in TS, leave state as "--Select--")	D-15,38 G-1,2	249 	If <301 (601 MFJ), enter amt on 1099-INT. Flows to correct place. As of 2-3-17, TS does not have a place for this. Enter as a tax paid to another state and leave state as "--Select--". This will translate to "foreign" in TaxSlayer If a taxpayer has a large amount of foreign tax, he could claim an itemized deduction for all the foreign income taxes (cannot split between credit and deduction).	48 	
Foreign tax credit on a K-1	K-1 (if TS has a box) <u>and</u> Deductions / Credits / Foreign Tax <u>and</u> State / Credits / Credit for Taxes Paid to Another "State" (until fixed in TS, leave state as "--Select--")	D-15,38 G-1,2	249	If <301 (601 MFJ), enter amt on K-1 (if box is provided) <u>and</u> Deductions / Credits / Foreign Tax <u>and</u> State / Credits / Credit for Taxes Paid to Another "State" (until fixed in TS, leave state as "--Select--"). Does <u>not</u> flow from K-1. Note that K-1 form 1041 line 14 code B is foreign tax. K-1 form 1065 line 16 code L is foreign tax. As of 2-3-17, TS does not have a place for this. Enter as a tax paid to another state and leave state as "--Select--". This will translate to "foreign" in TaxSlayer If a taxpayer has a large amount of foreign tax, he could claim an itemized deduction for all the foreign income taxes (cannot split between credit and deduction).	48 	
Gambling losses	Deductions / Itemized / Miscellaneous / Gambling	D-4,F-8		Gambling losses can be declared only to the extent of winnings. Note that TS permits entry of losses > winnings -- so be careful! 		28
Gambling winnings	Income / Other Income / Gambling Winnings W2G (if no W-2G, Income / Other Inc. Not Reported Elsewhere)	D-3,44		If winnings on a W-2G, fill out the W2-G. If winnings not on a W-2G, go to Income / Other Inc. Not Reported Elsewhere and type in "GAMBLING WINNINGS" and the amount.	21	
General Rule of pension exclusion	out of scope	D-19		out of scope. Applies to pensions starting prior to July 2, 1986, when the Three-Year Rule was not applied. More complicated than the Simplified Method.		
German Social Security				Social Security benefits paid by Canada & Germany are entered the same as U.S. Social Security. TP must provide funds conversion (usually converted by bank)	20	
Government pension exclusions for NC taxes	State/Subtractions/line 1			See the Bailey exclusion for NC taxes above. Also, see Bailey-RR-PensionChart and the BaileyPensionList. p 19 in NC VITA Manual (ends up on line 8 NC 400 Sch S)	16a	



Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
Head of Household (HOH)	Basic Information / Filing Status	B-1/B-4	22...	See guide document <u>Head of Household</u> for details. Unmarried or considered unmarried Dec 31 (see B-2 step 3). Paid > half cost of upkeep of home. Must have qualifying person defined on <u>Head of Household</u> guide document. Any relationships that were established by marriage are not ended by death or divorce. The <u>Dependent Qualification Calculator</u> is a fairly simple web tool that can help to determine exemptions, head of household, etc. https://cotaxaide.org/tools/Dependent%20Qualification%20Calculator.html		
Health coverage tax credit	out of scope		246	out of scope f8885	73	
Health Insurance		ACA tab		Read each question <u>carefully</u> before answering. Most questions are straight forward. One tricky question is " <u>Did you receive an exemption certificate from a marketplace, or qualify for exemptions due to circumstances?</u> ". This question must be answered YES if <u>anyone</u> in the household is <u>eligible for ANY exemption</u> . So this is the point where the preparer must check all possible exemptions.		
Health savings acct deductions	out of scope without cert Deductions / Adjustments / Health Savings Accounts	E-3,4		Out of scope without HSA certification for preparer and Quality Reviewer. Those with certification should follow pub 4012. Health savings accounts are indicated by (1)a W-2 with a W in box 12, (2)a 1099-SA with an X in box 5, or (3) a 5498-SA which shows HSA contributions. Taxpayer records of contributions can be accepted if they do not have the form. Note that W-2 code W amounts are <u>employer</u> contributions. Max contributions for those enrolled all year are \$3350 (\$4350 if age >54) or family \$6750 (\$7750 if age >54) (p4 in i8889).	25	
Healthcare.gov phone				800-318-2596		
Help for TaxSlayer				"Vita TaxslayerPro Support" <support@vita.taxslayerpro.com> 800-421-6346		
Help from AARP OneSupport				Log in to the AARP Portal (OneSupport). Click on OneSupport Help Center. Click on Submit a Request at the top.		
Highway use tax in NC	Deductions / Itemized / Taxes You Paid / Begin Sales Tax Wkt		152 	The NC tax on vehicle purchases is a "highway use tax" -- not a sales tax. However, IRS has ruled that it may be deducted as a sales tax on line 8 of the Sales Tax (NC) Wkt attached to Sch A, as of 1-23-2014.		
Historic Structure Rehab credit in NC (homeowner credit)	out of scope without DC and LC approval State / Credits			out of scope without DC & LC approval and training. This is a homeowner's credit. Credit is 15% of qualified expenses (minimum \$10,000 expenses), with a max credit of \$22,500. Property must be National Register listed or be contributing to a NR listed Historic District. Eligible rehabilitation expenses must be incurred within any 24 month period. Credit may be taken in year structure placed in service and carried forward for nine years. A <u>copy of the certification</u> obtained from the State Historic Preservation Officer verifying that the historic structure has been rehabilitated in accordance with the Secretary of the Interior's Standards for Rehabilitation <u>must be attached to the return</u> . In the first year the credit is taken on Line 11a of Form D-400TC, and the installment amount of the credit for that year goes on Line 11b . Any unused portion of either credit may be carried forward for the succeeding nine years on line 14.		
Home mortgage interest & points	Deductions / Itemized / Mortgage Interest	F-4,7	156	Points from refinanced mortgage spread over life of mortgage unless used to remodel.		10,11
Homebound taxpayer returns				Other than a spouse, if someone is bringing in material to a site and having a return done for someone else, that person must have a POA and becomes the responsible person for the return. (NTTC 12-15-2013)		
Home mortgage interest to individual	Deductions / Itemized / Mortgage Interest	F-4,7		There's one form for interest reported on a 1098 and another form if not reported on a 1098.		11
Home, sale of	Income / Capital Gain / Sale of Main Home	D-41/43	109	see Sale of Home	13	

Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
Home buyer credit	Other Taxes / First-Time Homebuyer Repayment (5405)	H-1		See First-time home buyer credit repayment		
Household employment	Income / Other Income / Other Compensation / Household Employee	D-45,H-1		If not on W2 and <\$2000, enter here. (pub 926)	60a	
Household employment taxes	out of scope	D-45,H-1		out of scope	60a	
Identity: Taxpayer, Spouse, Dep.				A photo ID for taxpayer & spouse and proof of SSN for taxpayer, spouse, & dependents: (1)Social Security card, (2)SSN at top of Social Security statement of benefits (SSA-1099), (3)Verification letter from Social Security Administration., (4)Medicare card ending with the letter A, (5)ITIN Letter. (We can NOT accept (1)other Medicare cards, (2)military ID's, (3)last year's return, etc.)		
Identity Theft (When Federal efiled return rejected by IRS due to primary/secondary TP duplicate SSN return already filed.)		P-4	 19 270	Make sure the client did not already file somewhere else. Change federal to paper return. State return can be efiled as State Only return. ERO must unlink the State in TS after QR completed. Decision to efile or mail State on case by case basis. Efile will generate refund faster. See pub 5199 Tax Preparer Guide to Identity Theft. Explain to client that fed return cannot be efiled. Client should immediately call the Identity Protection Specialized Unit at 800-908-4490 (Mon-Fri, 7 AM - 7 PM). Print 2 copies of the IRS Identity Theft Affidavit, Form 14039, available at http://www.irs.gov/pub/irs-pdf/f14039.pdf . Tell clients to call the IRS # before mailing their returns. The procedure is usually to include the affidavit, photo copies of government issued photo id (like drivers license) & Social Security card, & anything else requested by IRS with the return. Expect processing time of 6 months or more. Print p 2 of pub 4535 Identity Theft Prevention and Victim Assistance & give to client (pp 1-2 Spanish).		
Identity Theft (when client has received an <u>IP PIN</u> from IRS)	Miscellaneous Forms / IRS Identification Pin	P-4	 19 270	Client has already determined identity theft and has received an <u>IP PIN</u> from the IRS (form CP01A). Enter <u>IP PIN</u> on the form provided under Miscellaneous Forms / IRS Identification Pin. Since the PIN changes each year, verify with the taxpayer that the PIN is for the correct year. If client forgot to bring the <u>IP PIN</u> , the client will need to return with the number for the return to be efiled. Otherwise, the return will need be converted to paper and 2 copies printed for the client. If the client has lost or misplaced the IP PIN, the client should call 1-800-908-4490. If the client receives an <u>IP PIN</u> , the return can be efiled. If not, the return will need be converted to paper and 2 copies printed for the client. Advise taxpayer to follow IPSU instructions in mailing the tax return. There may be processing delays as IRS verifies the taxpayer's identity.		
Identity Theft (when client has not received an <u>IP PIN</u> from IRS but IRS rejected the return because the <u>IP PIN</u> was not entered)		P-4	 19 270	The client should call 1-800-908-4490. If the client receives an <u>IP PIN</u> , the return can be efiled. If not, the return will need be converted to paper and 2 copies printed for the client.		
Identity theft protection	Income / Other / Other Not Reported Elsewhere			Some taxpayers with \$0 taxable income may want to file a return to keep anyone else from using their SSN's to file a fraudulent return. To deter identity theft and e-file the return, Tax-Aide recommends that a return be e-filed, even though not required. Add \$1 to other income and describe as "TO ENABLE E-FILE." (NTTC Tip #13 on 2017-02-03)		21
Income, other	Income / Other / Other Not Reported Elsewhere	D-44-45		Flows to 1040 line 21.		28


Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
Income, nontaxable	Deductions / Itemized / Taxes You Paid / (bottom of the page where it says "Amount to Adjust the Calculated MAGI by"	D-1		For those who itemize , add major nontaxable income like VA benefits, worker's comp, Supplemental Security Income (SSI), insurance proceeds (accident, casualty, health, life), sickness & injury payments, child support, gifts, AFDC, welfare, or food stamps. Nontaxable incomes on line 3 can increase the calculated sales tax which can (1)increase the sales tax itemized deduction and (2)decrease any taxable state refund on next year's return. The calculated sales tax is increased only when the total income on line 4 reaches \$20,000, \$30,000, \$40,000, \$50,000, etc.	40	5b
Income, taxable		D-1				
Indian Income Subtraction for NC	State / Subtractions / Other			Most Indian income is taxable in NC. A <u>subtraction</u> from federal income for NC is made only in certain very limited circumstances, (1)The taxpayer must be an enrolled member of a federally recognized Indian tribe . (2)Income must be derived from activities on a federally recognized Indian reservation – while the member resides on the reservation . For description, IRS says use <u>INDIAN TRIBAL DISTRIB</u> (but not DISTRIBUTION). Therefore, income derived from activities on the reservation (including gaming "per capita" payments) would be subtracted from gross income if received by a member while the member resided on the reservation. Income from intangibles having a situs on the reservation and retirement income associated with activities on the reservation are considered income derived from activities on the reservation. To be clear, <u>retirement income</u> "associated with activities while living and working on a federally recognized Indian reservation" would be eligible for the deduction even if the member moved off the reservation		
Individual Shared Responsibility Payment	Health Insurance	ACA-13		see ACA		
Incarceration				Those incarcerated get an exemption for health care requirements for the months incarcerated. Those incarcerated can get a waiver if they miss the 60-day time limit for properly rolling IRA's over (p in pub 4012). Incarceration in a <u>juvenile detention</u> center for less than a year could count as temporary absence from home for determining dependency/exemption. Otherwise time incarcerated does not count for time living at home or for support.	13	
Inherited stock				See 1099-B	13	
Injured spouse	Miscellaneous Forms / Injured Spouse (8379)	P-5		See 8379		
Innocent spouse	out of scope	P-5		Different from Injured Spouse		



Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
Interest income	Income / Interest and Dividends / Interest or Dividend (even if not on a 1099) Income / Interest and Dividends/ Add / Seller Financed Interest	D-12/14		<p>For state taxes withheld on the 1099-INT or 1099-DIV, enter on Payments & Estimates / Other State Withholdings. Flows to NC 400 line 20 (NC tax withheld). Also flows to Sch A line 5a.</p> <p>Enter seller-financed mortgage interest under Income/Interest and Dividends/Add/Seller Financed Interest.</p> <p>Enter Private Activity Bond interest on Other Taxes / Alternative Minimum Tax (Form 6251) / Interest from specified private activity bonds.</p> <p>Since any federally tax-exempt interest (like <u>municipal bond</u> interest) income from any state obligations, other than NC is taxable in NC, there's a place to click on the Tax Exempt Interest screen and enter the amount & choose the state. Bonds issued by Puerto Rico, Guam, or U.S. Virgin Islands both U.S. & NC tax exempt.</p> <p>For K-1 tax-exempt interest (such as form 1120s box 16 code A) taxable by the state, enter on the K-1 and under State / Additions.</p> <p>US Savings Bond interest is entered in box 3. Since US Savings Bond interest is not taxable by the state, there's a place on the Interest Income screen (under box 6) to enter the amount of the savings bond & choose the state.</p> <p>For 1099-OID interest, enter box 1 as regular taxable interest. Enter box 8 in the TaxSlayer box 3 as Treasury obligations for fed return and exempt for state.</p> <p>Interest not on a 1099 must be reported, even if <\$10 where. Enter in box 1 of 1099-INT.</p> <p>Interest on qualified U.S. Series EE & Series I savings bonds issued after 1989 & used to pay for higher</p>	8	
Interest - tax exempt	Income / Interest and Dividends / Interest or Dividend / Tax Exempt (click "Add" to get new form)	D-14		<p>If other interest has already been entered, click "Add" to get the different form to add tax-exempt interest.</p> <p>Can also find form by clicking taxpayer name / Quick File / type "EX" in search box.</p> <p>Since any federally tax-exempt interest income from any state obligations, other than NC is taxable in NC, there's a place to click on the Tax Exempt Interest screen and enter the amount & choose the state.</p> <p>For K-1 tax-exempt interest (form 1120s box 16 code A) taxable by the state, enter under State / Additions?</p>		
Investment expenses or broker management fees	Deductions / Itemized / Miscellaneous / Investment Fees	D-8		Investment fees are deductible and may tip balance in favor of itemizing.		14
Investment interest as an expense	out of scope		156	out of scope f4952		14
IRA contributions Roth	Deductions / Credits / Retirement Savings Credit (Form 8880).	E-5 G-6,7	121	<p>max \$6500 if age >49 or \$5500 if <50 (p New-2 in 4012). Contributions a Roth IRA go here.</p> <p>"If total of traditional and Roth IRA contributions exceed the lesser of total compensation or the annual limit, the taxpayer must withdraw the excess before the filing deadline or a penalty will apply and the return will be out of scope."</p>	32	
IRA contributions traditional	Deductions / Adjustments / IRA Deduction	G-6,7	121	<p>max \$6500 if age >49 or \$5500 if <50 (p New-2 in 4012). Contributions to a traditional IRA go here.</p> <p>Automatically flows to retirement savings credit, if eligible.</p> <p>"If total of traditional and Roth IRA contributions exceed the lesser of total compensation or the annual limit, the taxpayer must withdraw the excess before the filing deadline or a penalty will apply and the return will be out of scope."</p>	32	
IRA early distribution exceptions		G-13 H-1,2		see guide document Codes Cheat Sheet		
IRA distributions involving nondeductible contributions				need entry		

Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
IRA minimum distributions				out of scope if not withdrawn when required (28-7 in 4491)		
IRA qualified charitable distribution (QCD)	Additions to Income/ IRA-Pensions / 1099-R <u>and</u> Additions to Income/ IRA-Pension Distributions / Nontaxable Distributions <u>and</u> State / Additions to Income / Other <u>and</u> State / Itemized Deductions.	D-25	127	<p>Subtract from 1099-R line 2a any amounts that are paid directly to a charity if the person was 70-1/2 when donation was made. <u>To document the QCD nontaxable exclusion on the 1099-R, go to the IRA/Pension Distributions / Nontaxable Distributions and check the box for Qualified Charitable Distribution.</u> Can not also get Sch A deduction. For Qualified Charitable Distributions made in Jan 2017, taxpayer can elect to have the distribution deemed to have been made on December 31, 2016. If this election is made, the QCD counts toward the 2016 exclusion limit of \$100,000, as well as the 2016 minimum required distribution.</p> <p>For NC, must be added as income under State / Additions to Income / Other, which flows to Sch S line 3. If itemizing for NC, also enter on State / Itemized Deductions, which flows to Sch S line 20..</p>	15a	
IRA required minimum distribution (RMD)				<p>If taxpayer failed to take RMD from a qualified retirement plan, go to entry screen for Form 5329. Complete Part IX and request a waiver of the 50% penalty. Describe the reasons the taxpayer failed to take the distribution (illness, relied on trustee, clerical error in calculation, etc.). Taxpayer needs to correct the error by taking the missed distribution as soon as possible. This will result in paying tax on two distributions in following year. [TaxSlayer procedure should be included in 2016 production mode. If not included, return should be prepared without Form 5329, then Form 5329 (with waiver request and explanation attached) should be mailed. Download the form and instructions from irs.gov.]</p>	15a	
IRA rollover	Income / 1099-R (rollover check box and amt rolled over)	D-20,23		<p>If the code in box 7 is "G", TaxSlayer handles it automatically. If not code G, then check the box after line 10 for Rollover and enter the amount rolled over within 60 days. Taxpayer must show paperwork to confirm rollover. Min required distributions may <u>not</u> be rolled over. Rollovers must be from one "qualified" retirement plan to another. For example, plans with code D in box 7 are <u>not</u> qualified plans and cannot be rolled over. Qualified plans include qualified employee plans, qualified employee annuities, tax-sheltered annuity plans (403(b) plans), eligible state or local government section 457 deferred compensation plans. Unqualified plans are listed on p 27 in pub 575.</p> <p>Taxpayers who missed the 60-day time limit will now ordinarily qualify for a waiver if one of 11 circumstances apply: 1)An error was committed by the financial institution making the distribution or receiving the contribution. 2)The distribution was in the form of a check and the check was misplaced and never cashed. 3)The distribution was deposited into and remained in an account that I mistakenly thought was a retirement plan or IRA. 4)My principal residence was severely damaged. 5)One of my family members died. 6)I or one of my family members was seriously ill. 7)I was incarcerated. 8)Restrictions were imposed by a foreign country. 9)A postal error occurred. 10)The distribution was made on account of an IRS levy and the proceeds of the levy have been returned to me. 11)The party making the distribution delayed providing information that the receiving plan or IRA required to complete the rollover despite my reasonable efforts to obtain the information. (New-3 in pub 4012) \ \</p> <p>If a taxpayer submits a self-certification, then the taxpayer may report the contribution as a valid rollover unless later informed otherwise by the IRS. See "IRA Rollover Self Certification Missing 60-Day Limit" in 2016 Guide Documents.</p>	15a	
IRA Withholding				<p>10% <u>unless</u> you choose to have no withholding or to have a more withheld (pub 575 p 10). Your choice is registered with the company with form W-4P. Line 1 says "Check here if you do not want any federal income tax withheld from your pension or annuity."</p>		

Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
IRS Forms & Publications				http://apps.irs.gov/app/picklist/list/formsPublications.html		
IRS Forms & Publications Drafts				https://apps.irs.gov/app/picklist/list/draftTaxForms.html		
IRS Forms & Publications Prior Years				http://apps.irs.gov/app/picklist/list/priorFormPublication.html		
IRS Interactive Tax Assistant 1		8,M-3	270	http://www.irs.gov/uac/Interactive-Tax-Assistant-%28ITA%29-1		
IRS Installment Fees		New-5		Installment agreement fees are being changed. Adding a Form 9465 to the return will cost the taxpayer \$225 (\$107 with direct debit). Online payment agreement is significantly less (\$149 or \$31 with direct debit. OK to help the taxpayer set up on-line payment agreement at irs.gov .		
IRS Interactive Tax Assistant 2		8,M-3	2 	The ITA tool is an IRS tax law resource that takes you through a series of questions & provides you with responses to tax law questions such as: (1)Do I Need to File a Tax Return? (2)Who Can I Claim as a Dependent? (3)What is My Filing Status? (4)Do I Have Cancellation of Debt Income on My Personal Residence? etc. At the end, questions, answers, and result can be printed. Note that only federal requirements are considered, so #1 above does not apply to state filing requirements.		
IRS Mailing Addresses 2016				https://www.irs.gov/uac/NORTH-CAROLINA-Where-to-File-Addresses-for-Taxpayers-and-Tax-Professionals		
IRS Sales Tax				http://apps.irs.gov/app/stdc/		
IRS Sales Tax Calculator				When using the IRS Sales Tax Calculator, be sure to include all nontaxable income (Social Security, VA benefits, Supplemental Security, scholarships, workman's comp, etc.) along with the taxable income for the income question. Sales tax calculations are based on both nontaxable and taxable income.		
Itemized deductions	Deductions / Itemized	F-3...		See Charity, Medical, Taxes, etc. Nondeductible list on F-5	40	all
Itemized deductions vs standard deductions	Deductions / Compare Deductions			Gives standard deduction and the amt of itemized deductions entered to this point.		
ITIN (Individual Tax Identification #)	Basic Information / Personal Information &/or Basic Information / Dependents	Tab L		Entered on Basic Information/Personal Information in place of SSN.		
ITIN application	Miscellaneous Forms / Application for ITIN (W-7)	L-3		Follow the instructions on L-3 in pub 4012. First, in personal info, use 000-00-0000 for the SSN. Then open the W-7. Fill in name of each family member applying for an ITIN on a separate Form W-7 application.		
Jail				See incarceration		
Joint/survivor annuity	Income / 1099-R / Simplified Method	D-19,23		Note that if the primary annuitant dies while still employed, the secondary annuitant becomes primary and the annuity is no longer considered joint.		
Jury duty pay given to employer	Deductions / Adjustments / Other	D-5	96	The amount shows is added into line 36, but it does not show where it comes from. When printed to pdf, shows as a tiny write-in adjustment "jury duty pay" on line 36 of the printed 1040.	36	
Jury duty pay received	Income / Other Income / Other Inc. Not Reported Elsewhere	D-5	96		21	
K-1 (form 1041)	Income / Other Income / K-1 Earnings / Schedule K-1 (1041) & possibly Deductions / Credits / Foreign Tax	D-53,54		In-scope for K-1s reporting interest, dividends, capital gains, royalties, and associated Foreign Tax credits. Enter directly on K-1 (new 2016) exactly as on the K-1. Note that box 14 code B is foreign tax that also needs to be entered in Deductions / Credits / Foreign Tax. See the <u>K-1's with Scope</u> guide document.	8 9 13	




Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
K-1 (form 1065)	Income / Other Income / K-1 Earnings / Schedule K-1 (1065) & possibly Deductions / Credits / Foreign Tax	D-53,54		In-scope for K-1s reporting interest, dividends, capital gains, royalties, and associated Foreign Tax credits. Enter directly on K-1 (new 2016) exactly as on the K-1. Note that line 16 Foreign Transactions code L is foreign tax that also needs to be entered in Deductions / Credits / Foreign Tax. See the <u>K-1's with Scope</u> guide document.	8 9 13	
K-1 (form 1120S)	Income / Other Income / K-1 Earnings / Schedule K-1 (1120S) & possibly Deductions / Credits / Foreign Tax	D-53,54		In-scope for K-1s reporting interest, dividends, capital gains, royalties, and associated Foreign Tax credits. Enter directly on K-1 (new 2016). Note that line 14 Foreign Transactions code L is foreign tax that needs to be entered in Deductions / Credits / Foreign Tax. See the <u>K-1's with Scope</u> guide document.	8 9 13	
K-1 capital gains and losses	Income / Other Income / K-1 Earnings / Schedule K-1	D-53,54		In-scope for K-1s reporting interest, dividends, capital gains, royalties, and associated Foreign Tax credits. Enter directly on K-1 (new 2016). See the <u>K-1's with Scope</u> guide document.	13	
Keeping up a home		B-4				
Kiddie Tax	out of scope	A-2		out of scope. Tax for Certain Children Who Have Investment Income of More Than \$2,100. Known as the Kiddie Tax. Note that taxable scholarship amounts are considered <u>earned</u> for determining if the child must file a tax return. However, IF the child is required to file a return, then the taxable scholarship is considered <u>unearned</u> -- and may trigger the out-of-scope Kiddie Tax.		
Late payment charge on mortgage			156	Can be deducted as mortgage interest if not for a specific service performed in connection with the mortgage loan (p 153 in pub 17)		
Lifetime learning credit	Deductions / Credits / Education Credits	J-1/9		see Education credits		
Link & Learn tests				https://www.linklearncertification.com/d/		
Link & Learn Practice				password is TRAINPROWEB.		
Links needed in preparing returns				Links needed in preparing returns can be found at taxvolunteers.com		
Living apart while married		B-1	20	Can file MFJ, MFS, or HoH (if meet tests on p 20 in pub 17). Can NOT file Single.		
Long term care insurance	Deductions / Itemized / Medical / Add Premiums (at bottom of Medical)	F-7		Apply the following limits: \$390: age 40 or under, \$730: age 41 to 50, \$1,460: age 51 to 60, \$3,900: age 61 to 70, \$4,870: age 71 and over TaxSlayer does <u>not</u> automatically apply the limits.		1
Lump-Sum Social Security & RR	Income / IRA-Pension Distributions / Social Security / Begin Wkt (at bottom)	D-27,28	80	OK to report all lump sum in current year (especially if does not increase tax). To complete lump sum worksheet(s), need tax returns from each year involved. Entries on the TS lump sum worksheets are straight forward. If the lump sum payment included other years, then an additional wkt for each year must be added. The box for "Modified Adjusted Gross Income for Earlier Year" includes AGI <u>plus</u> any tax-exempt interest and any adjustments from Lines 33 to 35. Attorney fees associated with collecting lump sum can be prorated between the taxable and nontaxable portions & deducted on Sch A line 23 by entering on Deductions/ Itemized Deductions / Miscellaneous Deductions / Add/Edit Miscellaneous Deductions that are not listed above. (In exercises, PY1 is the prior year immediately before the PY -- p 3 in p4491.)	20	
MAGI	Health Insurance	ACA-15,16		MAGI for form 8965 is the sum of AGI + tax-free interest. MAGI for form 8962 is the sum of AGI + tax-free interest + untaxed Social Security.		

Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
Married or unmarried	Basic Information / Personal Information &/or Basic Information / Dependents	B-2	 20-21	For fed tax purposes, "same-sex couples, legally married in jurisdictions that recognize their marriages, will be treated as married for federal tax purposes. The ruling applies regardless of whether the couple lives in a jurisdiction that recognizes same-sex marriage or a jurisdiction that does not recognize same-sex marriage" (IRS 2013-72). NC now recognize same sex marriages for those legally married in another state. http://www.dorn.com/practitioner/individual/directives/pd-14-3.pdf According to our National Tax Training Committee, "If the box on the 136143-C is checked as Married, then the couple is considered to be legally married." <u>Unmarried</u> includes "Legally separated from your spouse under a divorce or separate maintenance decree"(pub 17 p20). In NC the decree must be sanctioned by a court (http://www.dorn.com/taxes/individual/status.html). "Considered unmarried" for Head of Household (but not for Single) if lived apart last 6 mo of year. If lived apart last 6 months of year and do not qualify for Head of Household, must file MFJ or MFS.		
Meals		F-9,12		"In general, you can deduct only 50% of your business-related meal and entertainment expenses. (If you are subject to the Department of Transportation's "hours of service" limits, you can deduct 80%" (IRS.gov)		
Medicaid waiver payment on W-2	W-2 <u>and</u> ...			Not taxable. Enter the W-2 and then offset the amount with an equivalent negative Other Income entry; remove from earned income for EITC and ACTC purposes using Prisoner Income (under Other Income); manually limit expenses on CDC (Form 2441) as needed. Removing the excluded wages from state calculations may be possible by entering -0- in state wages on the W-2 (to be confirmed state-by-state).		
Medical/dental deductible expenses	Deductions / Itemized / Medical	F-6	149	Limited to expenses > 10% AGI (or 7.5% if one spouse age 65 or older, until Dec 31, 2016). Mileage @ .19. Include health insurance. List p 149 in Pub 17. Includes insulin and vitamins & supplements recommended by a medical practitioner for a specific condition. For those who itemize, the amount of Mkt insurance deductible on Sch A for 2016 is the premium paid (1095-A Col A minus Col C) <u>minus any PTC shown on 1040 line 69 or plus the excess PTC on 1040 line 49</u> . This is a rare exception to the IRS rule that deductions can only be made for expenses actually paid during the tax year. In this rare case, a taxpayer cannot deduct a premium paid in 2016 when the taxpayer will be reimbursed with PTC on line 69. And they can deduct the amount that must be paid for excess PTC on line 49. (NTTC ACA slides)		1
Medicare Advantage Medical Savings Account (MSA)	out of scope	A-3				
Medicare Ins Premiums (B & D) Note that Medicare Part D drug plans usually not on form	Income / IRA-Pensions/ Social Security A Detail if Part D or other not deducted from SS			Transfers automatically to A Detail if deducted from Social Security. If itemize, ask if pay Medicare drug plan or Medicare Advantage Plan (Medicare Part C) directly (& if so, how much?)		1
Medicare Tax, Additional	out of scope	H-1		Applies when income exceeds a threshold amount based on the individual's filing status		
MFJ vs. MFS	???					
MFS and Spouse SSN				Required field. However if SSN can't be gotten, enter 111-00-1111, print and paper file with "Spouse SSN unknown" written at top (TaxSlayer recommendation).		


Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
MFS and Itemizing	Deductions / Itemized / Use Standard or Itemized			"Your standard deduction is zero and you should itemize any deductions you have if: Your filing status is married filing separately, and your spouse itemizes deductions on his or her return' (pub 17 p 142). It does not matter who files first. There's a checkbox in TS for the second spouse to check if she must itemize under Deductions / Itemized / Use Standard or Itemized.		
Mileage / Transportation		New-2 F-12		business = .54, medical = .19, charity = .14. Mileage to regular place of work (even contract site) is not deductible. Mileage between work sites is deductible. Mileage between second work site and home is never deductible (see F-12).		
Minimize Internet Browser Toolbar				In TaxSlayer, press F11 to minimize or maximize the Internet Toolbar.		
Minister's tax return	out of scope	I-1		All minister returns are out of scope according to the Scope Manual.		
Mortgage Credit Certificate, (MCC)	out of scope			form 8396 out of scope		
Mortgage forgiveness	in scope if 2 counselors trained and comfortable Income / Other Income / Cancellation of Debt	D-44, 48,51	89	In scope <u>IF</u> specific training is provided, with at least two certified counselors comfortable with entries.		
Mortgage insurance premiums	Deductions / Itemized / Mortgage Interest	F-4,7	151	Only if mortgage insurance for home acquisition issued after 2006 for coverage in effect during 2016. Limits auto calc. Not deductible for NC. Automatically handled by TS.		13
Mortgage interest paid by taxpayer	Deductions / Itemized / Mortgage Interest	F-4,7	156	Interest on main or second home. See also Points for refinancing		10
Mortgage interest received	Income / Interest and Dividends/ Add / Seller Financed Interest	D-13				10
Mortgage late payment charge			156	Can be deducted as mortgage interest if not for a specific service performed in connection with the mortgage loan (p 156 in pub 17)		
Moving expenses	out of scope	9		out of scope (except for those with military certification helping military families)		26
Name badges for volunteers				Name badges should have the first name and last initial. Nothing more or less		
Names in TaxSlayer	Basic Information / Personal Information &/or Basic Information / Dependents	K-5-6		When spouse or dependent last name is same as taxpayer's, leave it in. For last name, no <u>leading</u> or embedded spaces are allowed. The first left-most position must contain an alpha character. Omit punctuation marks (except <u>hyphen OK</u>), titles and suffixes within last name field. Note that Social Security cards began showing the last name on a separate line 9/08/07. Also, whatever follows an initial on a card is normally the last name. 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. Indo-Chinese names often have a middle name of "Van" (male) or "Thi" (female). If unsure how to enter name or if reject due to SSN/name mismatch, call local Social Security Office with taxpayer. If reject due to name on main info exceeding character limit, shorten name to first 4 letters, omit middle initial and last name of spouse if same as primary.		
NC	State Section			When going back into the State section, we have to go through a number of steps: Click (1) <u>State section</u> , (2) <u>Edit</u> , (3) <u>Enter Myself</u> . If only the county was entered before, we also have to click (4) <u>Continue</u> for the county selected, and (5) <u>YES</u> to add something on the Congratulations page.		
NC business deduction				Expired Dec 31, 2013		
NC child tax credit				The NC child tax credit is automatic. Do not enter anything on the State / Credits / Credit for Children Under 17.		


Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
NC consumer tax or sales tax	State / Use Tax			Ask if clients purchased goods or services from out-of-state and did not pay NC sales or use taxes. If "Yes" either enter the amount given by the taxpayer, help the taxpayer calculate it, or find the amount in "Use Tax Table" on the back of the NC Tax Return Checklist.		
NC filing requirements				Details given at http://www.dorn.com/taxes/individual/filing.html		
NC Health Insurance Exchange for ACA				http://www.valuepenguin.com/ppaca/exchanges/nc		
NC highway use tax	Federal / Deductions / Itemized / Taxes You Paid / Begin Sales Tax Wkt		152	The NC tax on vehicle purchases is a "highway use tax" -- not a sales tax. However, IRS has ruled that it may be deducted as a sales tax on line 8 of the Sales Tax (NC) Wkt attached to Sch A, as of 1-23-2014).		
NC Historic Structure Rehabilitation credit income-producing	out of scope			Form 3468, which is out of scope		
NC Historic Structure Rehabilitation credit nonincome-producing (Homeowner credit)	out of scope without DC and LC approval State / Credits			out of scope without DC & LC approval and training. This is a homeowner's credit. Credit is 15% of qualified expenses (minimum \$10,000 expenses), with a max credit of \$22,500. Property must be National Register listed or be contributing to a NR listed Historic District. Eligible rehabilitation expenses must be incurred within any 24 month period. Credit may be taken in year structure placed in service and carried forward for nine years. A <u>copy of the certification</u> obtained from the State Historic Preservation Officer verifying that the historic structure has been rehabilitated in accordance with the Secretary of the Interior's Standards for Rehabilitation <u>must be attached to the return</u> . In the first year the credit is taken, enter the amount of qualified rehab expenses on the first line and the installment amount of the credit for that year goes on the second line . <u>The max credit for the second line is 15% of the qualified rehab expenses</u> on the first line. The credit is automatically limited by TaxSlayer to the amount of tax. Any unused portion of the credit may be carried forward for the succeeding nine years on line 14.		
NC Indian Income Subtraction	State / Subtractions / Other			Most Indian income is taxable in NC. A <u>subtraction</u> from federal income for NC is made only in certain very limited circumstances, (1)The taxpayer must be an <u>enrolled member of a federally recognized Indian tribe</u> . (2)Income must be <u>derived from activities on a federally recognized Indian reservation – while the member resides on the reservation</u> . Therefore, income derived from activities on the reservation (including gaming "per capita" payments) would be subtracted from gross income <u>if</u> received by a member while the member resided on the reservation. Income from intangibles having a situs on the reservation and retirement income associated with activities on the reservation are considered income derived from activities on the reservation. To be clear, <u>retirement income</u> "associated with activities while living and working on a federally recognized Indian reservation" would be eligible for the deduction even if the member moved off the reservation after retiring.		
NC refund applied from last year	Federal/Payments and Estimates/ State Estimated Payments					
NC refund applied to next year	State / Payments /Apply Your State Refund					
NC residents working in SC						
NC return -- to remove	State / Delete					

Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
NC sales tax calculation				see IRS Sales Tax Calculator or the NC Sales Tax Deduction Calculation Tool for 2016		
NC sales tax rates				See the guide document <u>Sales Tax Rates NC Counties 2015 & 2016</u> . http://www.dornc.com/taxes/sales/taxrates.html http://www.dornc.com/taxes/sales/levydates_4-15.pdf		
NC sales tax on large purchases such as a car or boat	Federal / Deductions / Itemized / Taxes You Paid / Begin Sales Tax Wkt			Sales tax on on large items such as a car or boat go at the bottom of the sales tax worksheet.		
NC sales tax worksheet for Sch A	Federal / Deductions / Itemized / Taxes You Paid / Begin Sales Tax Wkt			Must choose state, enter the number of days living in the state (e.g., 365), enter any local tax rate (if any), and enter 4.75 for the state rate in NC. (If the state rate is not entered, TS will automatically look up the state rate and use it -- without showing the percent.). Sales tax on on large items (like a car) go at the bottom of the sales tax worksheet.		
NC Standard Deduction				Single/MFS 8,250, MFJ/QW 16,500, HoH 13,200		
NC tax paid from refund prior year	Federal / Payments & Estimates / State Estimated Payments	H-3		Record any refund applied from last year on first line.		
NC tax paid in tax year not withheld or estimated.	Federal / Deductions / Itemized / Taxes You Paid / Additional State and Local Income Tax			This would include payments of (1)amount owed made with the 2015 tax return, (2)payments of back taxes, (3)and 4th quarter estimated payment for 2015 made in January 2016.		
NC Tax Return in TaxSlayer				see guide document <u>NC Tax Return Checklist</u>		
NC VITA (Volunteer Income Tax Assistance)				http://www.dornc.com/practitioner/vita/index.html		
NC withholding from 1099-INT/1099-DIV/ broker stmt	Federal / Payments & Estimates / Other State Withholdings			As of 2-3-2017, there's no place in TS to enter this on the 1099-INT or 1099-DIV. Enter on Payments & Estimates / Other State Withholdings. Can also find by typing "state" in the search box. Flows to NC 400 p2 line 20 (NC income tax withheld). Also flows to Sch A line 5a.		
Nonresident Alien (NRA) Spouse		B-2.1		See B-2.1		
Noncash donations > \$500	Deductions / Itemized / Gifts to Charity / Noncash Donations (more than 500)	F-7,8		See 8283. (Ignore where Pub 4012 says out of scope.) in scope if <\$5,000 total		17
Nondividend distribution on 1099-DIV	Income / Interest and Dividends / Interest or Dividend	D-15	66	Do not enter. Inform taxpayer that stock cost basis is reduced by this amt		
nontaxable income	Deductions / Itemized / Taxes You Paid / Begin Sales Tax Wkt Add like car tax after use IRS Sales Tax Calc?	D-1		For those who itemize , add major nontaxable income like VA benefits, worker's comp, Supplemental Security Income (SSI), insurance proceeds (accident, casualty, health, life), sickness & injury payments, child support, gifts, AFDC, welfare, or food stamps. Nontaxable incomes on line 3 can increase the calculated sales tax which can (1)increase the sales tax itemized deduction and (2)decrease any taxable state refund on next year's return. The calculated sales tax is increased only when the total income on line 4 reaches \$20,000, \$30,000, \$40,000, \$50,000, etc.	40	5b


Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
Notes (have a flag symbol)	Click the taxpayer name and choose Notes in the dropdown menu. or in the client search list, click the flag symbol beside the TP name			For things like Waiting on Info or Waiting for Signature, use checkboxes in Notes . To make a note attached to a return, click on the taxpayer's name in the upper left of an open return and choose "Notes" in the dropdown menu. Notes can also be accessed in the Client Search List. Notes do <u>not</u> carry over to the next year. 	THOMAS YALE Your Office Scanned Documents Si hablo Español Notes	
NY Lottery EIN				NY Lottery: "Our Federal Employee Identification Number (FEIN) is: 14-1588338"		
Original Issue Discount Interest	Income / Interest and Dividends / Interest or Dividend	D-13		Enter box 1 as regular taxable interest. Enter box 8 as regular taxable interest for fed return but exempt for state. Out of scope if adjustments needed or no form.		
OneSupport				Log in to the AARP Portal (OneSupport). Click on OneSupport Help Center. If the portal is not working, log in to https://aarpfoundationtaxaide.zendesk.com/access/normal User = taxaideenduser@gmail.com Password = taxaideenduser1		
OneSupport help				Log in to the AARP Portal (OneSupport). Click on OneSupport Help Center. Click on Submit a Request at the top.		
OID Interest	Income / Interest and Dividends / Interest or Dividend	D-13		Enter box 1 as regular taxable interest. Enter box 8 as box 3 as Treasury obligations for fed return but exempt for state. Out of scope if adjustments needed or no form.		
Other expenses (safe deposit box, etc)	Deductions / Itemized / Miscellaneous /	F-8	202			23
Other gains & losses	out of scope			out of scope (Tax-Aide Scope) f4797 Sales of Business Property	14	
Other income	Income / Other / Other Not Reported Elsewhere	D-44		Flows to 1040 line 21.		28
Other misc deductions	Deductions / Itemized / Miscellaneous /	F-8	202			28
Other state tax returns				See State returns other than NC		
Out of scope lists				Full list here in QuickGuide copied from AARP Foundation Tax-Aide Scope document.		
Overpayment applied to 2017	Payments & Estimates / Apply Overpayment <u>or</u> State / Payments/ Apply your State Refund	H-3			77	
Paper returns	in e-File process	K-25 N-9		Under e-File, choose Paper Return. When return completed, print 2 copies + an extra fed return to <u>accompany state return</u> . Can not be a paper return if can be efiled. If client insists on paper return, explain that we can either efile the return or delete the return. If the taxpayer still does not want it efiled, do not print or give copy to the taxpayer. Mark Return Stage TO BE DELETED.		
Part-Year residents	State Section	K-13		See NC Part-Year Checklist for step-by-step instructions Must choose Part-Year when starting the return. Cannot go back later and change to part-year.		



Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
Pell grant for education		J-7		See flow chart and guide document <u>Education Benefits - What to Do in TaxSlayer</u> . Pell grants (just as other scholarships) are tax free to the extent used for qualified education expenses. Also, those with (or applying for) Pell grants may request to file tax returns to aid their grant application -- even though they would not otherwise need to file. IRS & the Treasury Dept now say "a student may choose to treat her Pell Grant as paying for living expenses even if the institution applies the Pell Grant against tuition and fees." https://www.treasury.gov/connect/blog/Documents/Pell%20AOTC%204%20pager.pdf Following are some things that might help in determining the amount he chooses to pay tax on. See the " <u>Education Benefits</u> " p 7 regarding "Why would a student want to pay tax on the grants or scholarships" and p 11 regarding "What do I do if there are unrestricted scholarships or grants?" The Education Benefits Calculator can be quite helpful, especially when dealing with situations where Pell grants or other unrestricted scholarships are involved. A minor point (that can save a taxpayer a few dollars) is that with tax tables built in \$50 increments, the taxpayer's <u>max refund often comes a little under \$2,000 or \$4,000</u> -- by making the taxable income on p 2 of the 1040 total end with 49 or 99 (just under the next \$50 tax level). We can do this manually, or we can use the Education Benefits Calculator. Recommend the calculator.		
Penalty on early withdrawal	Income / Interest and Dividends / Interest or Dividend	D-4,13	57		30	
Penalty for underpayment of estimated taxes	Payments & Estimates / Underpayment (2210)	H-3		Default should be set to let IRS calculate any penalty. if TS calculates any, go to Federal Section > Payments & Estimates > Underpayment of Estimated Tax: Fill in form, check box to request a waiver, and use reason of "To be calculated by IRS". If income about same as year before and owe > \$1000, inform taxpayer that IRS may send them a bill for the penalty.	79	
Penalty underpayment of estimated taxes	Payments & Estimates / Underpayment of Estimated Tax	H-3		If a penalty is calculated on 1040 line 79, then go to Payments & Estimates / Underpayment of Estimated Tax and fill out the form. Check the box to request a waiver, and use reason of "To be calculated by IRS". Inform taxpayer that IRS may send them a bill for the penalty.	79	
Personal property tax (e.g. vehicle)	Deductions / Itemized / Taxes /	F-6	155			8
Plug-in electric vehicle	out of scope		250	out of scope. f8834	54	
Points for refinancing	Deductions / Itemized / Mortgage Interest	F-4,7	160	Points paid when refinancing are usually prorated over the life of the loan. If you meet the tests listed on pp 158-159 in Pub 17 and the mortgage proceeds are used to improve your main home, you can fully deduct <u>the part of the points</u> related to the improvement.		
Poster D143		6		AARP Title VI Poster required to be posted as close to the "first point of contact between taxpayer and volunteer" as possible. To be safe, recommend post at the reception and waiting area.		
Power of Attorney (POA)	Not entered in TaxSlayer	K-22/24		Need to verify that there is a legal POA that includes "the authority to prepare, sign, and file income tax returns with federal, state, and local or other governmental bodies" "If e-filing, no need to attach 2848" (NTTC Sept 2016 webinar slide 21 notes) For paper returns, "a copy of the POA must be attached to the Form 1040" (K-24 in pub 4012).		
Premium Tax Credit	Health Insurance	ACA 14		see 8962 and ACA and Medical deductions		
Printing a 1040 instead of 1040A or 1040EZ from the Summary/Print page				When a full 1040 is not required, TaxSlayer will use the 1040A or 1040EZ in the Summary/Print page pdf and in the e-file. The NTTC solution for this is in <u>TaxSlayer 2016 Tips</u> #14. If you print to pdf from the Summary/Print page and see a 1040A or 1040EZ, then add \$1 to Other Income captioned "To force Form 1040" and then add a negative \$1 to Other Income captioned "To force Form 1040 offset. This insures a full 1040 in both the print set and the e-file.		
Prior Year Minimum Tax	out of scope	A-3	248	out of scope. f8801	73	




Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
Prior year returns in TaxSlayer		M-3,4		<p>Requires training and certification for the prior tax year.</p> <p>Only the two most current prior year federal and NC state returns can be e-filed. Earlier years must be paper returns. (Not sure whether 2013 SC can be e-filed or not.)</p> <p>After completing the 2015 return, log out and log back in. Then the 2016 return can be started with some carryforward (even if the 2015 return has not been transmitted). TaxSlayer may start the 2016 return, without the name showing in the client list. Scroll down or search for the SSN.</p> <p>The amount recovered in prior years for the simplified method worksheet does not seem to carry forward.</p>		
Private Activity Bond Interest (PAB)	Other Taxes / Alternative Minimum Tax (Form 6251) / Interest from specified private ...	D-15		Interest from private activity bonds generally is not taxable, however interest from specified private activity bonds issued after August 7, 1986 must be added to income for AMT purposes.		
Public assistance programs			93	While public assistance program benefits are not be taxable, they are used in the IRS Sales Tax Calculator to determine the amt of sales tax that can be deducted from income taxes. See p 93 in pub 17 for a list of programs.	16	
Public safety officer exclusion	Income / IRA-Pension Distributions / 1099-R and Income/ IRA-Pensions / Nontaxable Distributions and Deductions / Itemized Deductions / Medical and Dental Expenses	D-25		<p>Public safety officers are entitled to tax break on their pensions for money withheld for health insurance. Does not apply if box 7 is code 4 (D-25 in pub 4012). Up to a max of \$3,000 can be subtracted from the gross distribution to <u>manually</u> calculate the taxable amount on line 2a of 1099-R. The following steps need to be taken.</p> <p>(1) Determine if the pension is based on service as a public safety officer. A public safety officer is someone who served a public agency "as a law enforcement officer, as a firefighter, as a chaplain, or as a member of a rescue squad or ambulance crew".</p> <p>(2) If there is a number in box 5 of the 1099-R for a public safety officer, we have to ask what that was for. Was it for health insurance? If it was health insurance, the taxpayer can deduct up to a maximum of \$3,000 from the gross amount to determine the taxable amount.</p> <p>(3) Since these same pensions usually require Simplified Method calculations (due to employee contributions in box 9 <u>and</u> the taxable amount not given in box 2), we use the <u>Annuity/Pension Exclusion Calculator</u>. The new calculator has a box to check for public safety officers and a line to enter the amount of insurance to exclude (no more than the \$3,000 maximum exclusion). The calculator tells us how much to enter in box 2 for the taxable amount of the pension. <u>The calculator results need to be printed to be used in future years.</u></p> <p>(4) To document the public safety officer insurance exclusion on the 1099-R, go to the IRA/Pension Distributions / Nontaxable Distributions & check the box for eligible retired public safety officers.</p> <p>(5) If the taxpayer had more than \$3,000 deducted for health insurance and itemizes, then the amount over \$3,000 must be entered <u>manually</u> under Itemized Deductions as health insurance.</p> <p>http://definitions.uslegal.com/p/public-safety-officer/</p>	16	


Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
Qualified charitable distribution (QCD)	Income/ IRA-Pensions / 1099-R <u>and</u> Income/ IRA-Pensions / Nontaxable Distributions <u>and</u> State / Additions to Income / Other <u>and</u> State / Itemized Deductions	D-25	127	Subtract from 1099-R line 2a any amounts that are paid directly to a charity if the person was 70-1/2 when donation was made. <u>To document the QCD nontaxable exclusion on the 1099-R, go to the IRA/Pension Distributions / Nontaxable Distributions and check the box for Qualified Charitable Distribution.</u> Can not also get Sch A deduction. For Qualified Charitable Distributions made in Jan 2017, taxpayer can elect to have the distribution deemed to have been made on December 31, 2016. If this election is made, the QCD counts toward the 2016 exclusion limit of \$100,000, as well as the 2016 minimum required distribution. For NC, must be added as income under State / Additions to Income / Other, which flows to Sch S line 3. If itemizing for NC, also enter on State / Itemized Deductions, which flows to Sch S line 20.	15a	
Qualifying Child of more than one person		C-4		Follow the rules on p C-3 for exemption for a dependent, See also head of household, credit for child and dependent care expenses, child tax credit, EIC, exclusion from income for dependent care benefits.		
QR Process		K-26				
Questions on scope and tax law.				If you run into a question on scope or tax law with clients, first try your local or district resources. If it still is not resolved, please email Donald Selzer, NC Training Specialist, at dmselzer@frontier.com. Questions will be answered or submitted to IRS and/or the AARP Foundation National Tax Training Committee (NTTC).		
Quick File in TaxSlayer	Click the taxpayer name at the top left and choose the Quick File in the drop-down menu.			A Quick File is a time-saving navigation tool in TaxSlayer – <u>after</u> the files are selected for the Quick File. It allows the preparer and/or QR to go directly from one form to another, skipping all the extra navigation pages. When a return is saved, the QF is rearranged to 1040 order. A QF takes you through all the listed forms directly from form to form in the order listed. While you cannot change the order of the forms, you can delete forms you don't need or add forms you do need.		
Railroad retirement (blue) RRB-1099 (Soc Sec equivalent)	Income / IRA/Pension / Social Security Benefits/RRB-1099	D-27		Enter "net" from box 5 on first line. Enter any Fed tax withheld from box 10 on second line. Enter Medicare from box 11 on third line. If there is any amount in box 7, 8, or 9 (benefits for previous year), refer your client to a tax professional. If the taxpayer had both an RRB -1099 and an SSA-1099, then the amounts must be added manually and entered on the TaxSlayer Social Security 1099 SSA page. A negative box 5 means the taxpayer (or spouse) repaid more to Social Security than received during the year. If the only box 5 entry for the return is negative, no entry is made. If there are other box 5 entries (for a spouse or from an RRB-1099), then the negative amount is subtracted from the positive amounts and the result is entered (p 88 in pub 17).	20	
Railroad retirement (green) RRB-1099-R (pension)	Income / IRA/Pension / RRB-1099-R	D-26		Enter the amounts in boxes 3, 7, and 9. Medicare premiums in box 12 not needed for efilng but do go to Sch A detail if itemizing. Simplified Method calculations must be completed to determine the taxable amount in box 7a. If the IRS will approve, recommend not using the TS Simplified Method worksheet (because it does not provide all the info needed -- and is very slow). Use instead https://cotaxaide.org/tools/Annuity%20Calculator.html Income from the RRB-1099-R is not taxed in by any state. It is excluded automatically in NC & SC. A negative box 5 means the taxpayer (or spouse) repaid more to Social Security than received during the year. If the only box 5 entry for the return is negative, no entry is made. If there are other box 5 entries (for a spouse or from an RRB-1099), then the negative amount is subtracted from the positive amounts and the result is entered (p 88 in pub 17).	16	


Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
Real estate taxes deduction	Deductions / Itemized / Taxes <u>or</u> Deductions / Itemized / Mortgage Interest (1098)	F-6	153	Use the amt actually paid in 2016. If on the 1098, enter on 1098 -- and nowhere else. Otherwise enter on Deductions / Itemized / Taxes		6
Recordkeeping requirements		F-13	15-16	"NTTC recommends a minimum of seven years." Keep sales slips, credit card receipts, invoices, cancelled checks, bank statements, mileage logs, and other documents that support an item of income or a deduction, or a credit appearing on a return. If you own(ed) a home or investment property, keep records of purchase and home improvements at least three years after selling the property. There is no period of limitations to assess tax when a return is fraudulent. http://www.irs.gov/taxtopics/tc305.html		
Refresh to get latest calculator or web page each time visited				Open Control Panel. Open Internet Options. Click and select the Security tab. On the Security tab, make sure the Internet Zone is highlighted in the box where you find Local Intranet, Trusted Sites and Restricted Sites. Click on Custom Level. If you cannot find the Custom Level option, see if you have already set the security for Internet to Custom Level. If that is the case, you will have to click on Default Level button. Once you do this, the Custom Level button would be available. In the dialog box that comes up when you click Custom Level in step 5 above, check for Allow Meta		
refund applied to estimated tax		K-19		See row for "Estimated tax to be paid from overpayment"		
Refund options (not in Practice Lab)	in e-File process 8888	K-14,15		Allocate refund to 2 or 3 accounts and/or purchase savings bonds.		
Refund status		P-5		Taxpayers can check their federal refund by computer or mobile app at https://sa.www4.irs.gov/irfof/lang/en/irfofgetstatus.jsp or 1-800-829-1954. NC: https://eservices.dor.nc.gov/wheresmyrefund/SelectionServlet or 1-877-252-4052		
Rental income	Income / 1099-MISC and/or Income / Rents (on Sch E)	D-28		out of scope if any expenses. To stay in scope, property tax expenses must go on Sch A and not Sch C. Note that rent on a K-1 is out of scope. If on a 1099-MISC, enter there and link to Sch E. If no 1099-misc, then enter on Sch E. See Sch E. Rental income from sources such as a home is out of scope except for an active duty military taxpayer AND the Counselor and Quality Reviewer both have Military certification. All other rental situations (room in home, apartment over garage, separate building, for profit, not for profit, Airbnb, etc.) are out of scope regardless of certifications. (D-44 replacement) "Note: rental of personal residence for less than 15 days for the year is not considered a rental activity and is not taxable income" (pub 527 p 3 & AARP TaxAide Scope Manual (p 8 under Sch E).	17	
Repayment of home buyer credit	Other Taxes / First-Time Homebuyer Repayment	H-1		See First-time home buyer credit repayment		
Rescue volunteer or firefighter	NC benefit eliminated			NC benefit for rescue volunteers and firefighters was eliminated in NC, beginning 2015. See public safety officer for health insurance deducted from 1099-R for public safety officers.		
Resident Alien or		C-2,L-1		Use Decision Tree on p L-1		
Residential energy credits	Deductions / Credits / Residential Energy ... / (Part II only)	G-10	251	See 5695	53	

Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
Retirement savings credit	Deductions / Credits / Retirement Savings (8880)	E-5 G-6,7	251	AGI < \$30,750, <46,125 HOH, <61,500 MFJ); born before 1-2-1999; Not a dependent or full-time student; Not military pensions. Enter any distributions. Contributions made by April 15, 2017 count for 2016. Roth contributions get credit, too. A W-2 entry in box 12 or an "X" in the Retirement box or an entry in box 14 is an indicator that the taxpayer may be eligible for this credit. W-2 box 12 entries of D, E, F, G, H, S, AA, or BB are voluntary retirement contributions which automatically flow to the 8880 in TaxSlayer. Voluntary employee contributions (whether taxed or not) are eligible for the retirement savings credit. Employer contributions and mandatory employee contributions (as in some school systems) are not eligible for the credit. When one spouse works and contributes to a retirement account and the other is retired and receives either a pension or a distribution from a retirement account, TaxSlayer correctly applies the Forms 1099-R as a distribution from a retirement account and subtracts the distribution from the contribution amounts. If the distribution is a military pension, an exception applies and the distribution should not be subtracted. In the Form 8880 entry page, enter a negative amount equal to the military pension in the box labeled "qualifying distribution." This will negate the military Form 1099-R and allow the Tags are checkboxes to show give info about return status (e.g. Waiting for Signature).  ERO can customize Tags in configuration Menu.	51	
Return status Tags in TS						
RMD waiver request	5329			Waiver request for failure to take RMD now in scope. See "IRA required minimum distribution"		
Rollover of IRA	Income / 1099-R (rollover check box and amt rolled over)	D-20,23		If the code in box 7 is "G", check the box after line 10 for Rollover and enter the entire amount. If the code is not "G", enter amt rolled over within 60 days. Taxpayer must show paperwork to confirm rollover. Min required distributions may not be rolled over. Rollovers must be from one "qualified" retirement plan to another. For example, plans with code D in box 7 are not qualified plans and cannot be rolled over. Qualified plans include qualified employee plans, qualified employee annuities, tax-sheltered annuity plans (403(b) plans), eligible state or local government section 457 deferred compensation plans. Unqualified plans are listed on p 27 in pub 575.	15a	
Roth IRA contributions	Deductions / Credits / Retirement Savings	E-5 G-6,7	129...	Roth contributions get retirement savings credit, too -- if taxpayer eligible. Roth IRA distributions that are taxable or partially taxable are out of scope.	51	
Royalty income from K-1	Income / Other Income / K-1 Earnings / Schedule K-1	9, D-54		Income will carry to line 17 of Form 1040. Sch E not needed. (NTTC slide presentation 19)		
Royalty income from 1099-MISC	Income / Form 1099-MISC <u>and</u> link to Sch E	9, D-3		Start with the 1099-MISC. Then add Sch E. Percent of ownership required. Out of scope if any expenses.	21	
Sale of home (primary residence)	Income / Capital Gain / Sale of Main Home	D-41/43	109...	See Real Estate Sales guide document. For primary residence (Main Home) only, must report if 1) gain > \$250,000 (500,000 MFJ) 2) 1099-S, 3) not owned 24 full months in 5-years prior to sale, 4)not lived in 24 full months in 5-years prior to sale, or 5) excluded gain from sale of another home during prior two years (11-12 in 4491). Main home is where taxpayer lived most of the time. Can be houseboat, mobile home, condo or co-op. Must have cooking, sleeping and bathroom facilities. Don't forget the box at the bottom to "Check here if you qualify for the Maximum Exclusion ..." If a home that is not the main home is sold, there is no exclusion. Any gain is taxable. Any loss is <u>not</u> deductible. "The TaxSlayer sale of main home worksheet may not include the transaction on Form 8949 if it is a nondeductible loss (even though Form 1099-S has been received and we must report it). And, it does not show the "E" code for selling expenses. Until fixed, counselors should not use the worksheet. Instead, enter the transaction as you would other capital gain or loss transactions and use the appropriate codes. If using more than one code, net the adjustment amounts." For more info, see IRS Pub 523 Selling Your Home.	13	



Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
Sales commissions & fees for stocks	Income / Capital Gains /	D-37		Look at box 6 of the 1099-B to see if the sales commission was included in the <u>sale price</u> . If not, include sales commissions and fees that are not reflected in Form 1099-B Box 1d as a negative adjustment (labeled as "Form 1099-B with Basis in Box 3 is incorrect". If the <u>basis</u> was not reported to the IRS, enter the correct basis and make no adjustment. If the <u>basis</u> was reported to the IRS, correct the error by entering an adjustment.		
Sales tax calculations				see IRS Sales Tax Calculator or the NC Sales Tax Deduction Calculation Tool for 2016		
Sales tax rates in NC				See the guide document <u>Sales Tax Rates NC Counties 2015 & 2016</u> . http://www.dorn.com/taxes/sales/taxrates.html http://www.dorn.com/taxes/sales/levydates_4-15.pdf		
Sales tax on large purchases such as a car or boat	Deductions / Itemized / Taxes You Paid / Begin Sales Tax Wkt	F-6		Sales tax on on large items such as a car or boat go at the bottom of the sales tax worksheet.		
Sales tax worksheet for Sch A	Deductions / Itemized / Taxes You Paid / Begin Sales Tax Wkt	F-6		Must choose state, enter the number of days living in the state (e.g., 365), enter any <u>local</u> tax rate (if any), and enter <u>4.75</u> for the state rate in NC. (If the state rate is not entered, TS will automatically look up the state rate and use it -- without showing the percent.). Sales tax on on large items (like a car) go at the bottom of the sales tax worksheet. Be sure to use 366 days for 2016. As of 2-9-2017, TaxSlayer incorrectly includes IRA rollover amounts in the income for sales tax deductions. Suggest using the IRS sales tax calculator, along with the Sales Tax Income Worksheet at http://cotaxaide.org/tools/Sales%20Tax%20Worksheet.html.		
Same-sex marriage				See married or unmarried.		
Savings Bonds interest	Income / Interest and Dividends / Interest or Dividend	D-13		US Savings Bond interest is entered in box 3. Since US Savings Bond interest is <u>not taxable by the state</u> , there's a place on the Interest Income screen (under box 6) to enter the amount of the savings bond & choose the state.	15a	
Savings Bonds purchase	in e-File process	K-14,15		in scope. Allocation of Refund (Including Savings Bond Purchases)	15a	
Savings Incentive Match Plans for Employees (SIMPLE) IRA	out of scope			Out of scope	15a	
SC residents working in NC				???		
Sch A	Deductions / Itemized	F-3...		Out of scope for •Line 14 investment interest, •Taxpayers affected by a charitable contribution carryover, •Donation of property previously depreciated, •Donation of capital gain property, •Line 20 casualty or theft loss(es), •Line 21 - see F 2106 EZ and F 2106 limitations, •If alternative minimum tax generated on F 6251 •Total non-cash contributions in excess of \$5,000, •Donation of any motor vehicle •Donations of capital gain property, •Donations of assets used in a business or casualty or theft loss. See Charity, Medical, Taxes, etc.		
Sch B		D-12...		Out of scope for purchase or sale of bonds between interest dates unless fully reported by the broker. See Dividends. See Interest.		

Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
Sch C	Income / Profit or Loss	D-29...		<p>out of scope if expenses > \$25,000; net loss; hobby income or not for profit activity; line F other than Cash, line G checked "No" (or the taxpayer does not meet any of the tests of material participation, or is uncertain about materially participating in a business), line I, payments made that require F 1099 to be filed; any bartering transactions; Part I lines 2,4,6; Part II lines 9 (actual expenses), 12, 13, 14, 19, 20 (leases more than 30 days),26, 27a, 30, 31, payments that require f1099 to be filed; all of Part III, vehicles rented more than 30 days.</p> <p>"OK to expense small tools etc if cost is less than \$2500 per item or invoice. See IRS Notice 2015-82." (D-32). "OK to expense small tools etc if cost is less than \$2500 per item or invoice. See IRS Notice 2015-82." (D-34)</p> <p> D-33 gives a list of expenses that can and cannot be deducted.</p> <p>Rentals of business equipment are deductible and in scope. (D-34 replacement)</p> <p>Need separate Sch C for each business. Business codes lookup at http://www.census.gov/cgi-bin/sssd/naics/naicsrch. Mileage to/from contract site not OK. Travel between sites is OK (see F-12). Same method for calculating vehicle expenses must be used every year. In line 22, include cost of materials/supplies consumed. Line 24b: standard allowance at www.gsa.gov/mie</p> <p>Can have >1 Sch C for a taxpayer (beginning 2013).</p> <p>"Travel" (that goes to Sch C line 24a) includes lodging and transportation.</p> <p>"In general, you can deduct only 50% of your business-related meal and entertainment expenses. (If you are subject to the Department of Transportation's "hours of service" limits, you can deduct 80%" (IRS.gov)</p> <p>See <i>Schedule C Guidelines Summary TY16</i> for more detailed info.</p>		
Sch C-EZ	out of scope			Use Sch C instead. Now listed and continues out of scope as no training is provided.		
Sch D	Income / Capital Gain /	D-36...		Out of scope for (1)Adjustment codes N, Q, X, R, S or C (2)reduced exclusion on sale of home, (3)bonds sold before maturity with a gain or loss, (4)property inherited in 2010 if taxpayer does not know the basis and the correct holding period, (5)worthless securities reported on brokerage statement, (6)wash sales not reported on brokerage or mutual fund statement.		
Sch E	Income / 1099-MISC and/or Income / Rents (on Sch E)			<p>Rental income from box 1 of a 1099-MISC is linked to line 3.</p> <p>In scope for: •Land rental and royalties, •Home rental if taxpayer is active duty military (In scope for Military certification only) Note: rental of personal residence for less than 15 days for the year is not considered a rental activity and is not taxable income. If a Form 1099-MISC is received for <15 days rent, then add and subtract the income on Schedule E as two entries.</p> <p>Home rental (15 days or more) is out of scope unless done by someone with Military certification for a taxpayer who is active military.</p> <p>Out of scope for •Part I, lines 5-19, •Parts II-IV, •Part V lines 40, 42, 43, and rent from a K-1</p> <p>Rental Income when "Not for Profit" out of scope. No expenses permitted. To stay in scope, property tax expenses must go on Sch A and not Sch C.</p>		
Sch EIC	e-File process if needed	Tab I	231	See Earned income credit	66a	
Sch F	out of scope			out of scope		
Sch H	out of scope			out of scope		
Sch K-1 (form 1041)	Income / Other Income / K-1 Earnings / Schedule K-1 (1041)	D-53,54		In-scope for K-1s reporting interest, dividends, capital gains, royalties, and associated Foreign Tax credits. Enter directly on K-1 (new 2016). Note that line 14 code B is foreign tax that needs to be entered in Deductions / Credits / Foreign Tax..	8 9 13	
Sch K-1 (form 1065)	Income / Other Income / K-1 Earnings / Schedule K-1 (1065)	D-53,54		In-scope for K-1s reporting interest, dividends, capital gains, royalties, and associated Foreign Tax credits. Enter directly on K-1 (new 2016). Note that line 16 Foreign Transactions code L is foreign tax that needs to be entered in Deductions / Credits / Foreign Tax.	8 9 13	

Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
Sch K-1 (form 1120S)	Income / Other Income / K-1 Earnings / Schedule K-1 (1120S)	D-53,54		In-scope for K-1s reporting interest, dividends, capital gains, royalties, and associated Foreign Tax credits. Enter directly on K-1 (new 2016). Note that line 14 Foreign Transactions code L is foreign tax that needs to be entered in Deductions / Credits / Foreign Tax.	8 9 13	
Sch R		G-6,7		See elderly or disabled credit		
Sch SE	Other Taxes / Self-Employment Tax (Schedule SE)	H-I		In scope except for ministers or church workers who present issues such as: arsonage/housing allowance, whether earnings are covered under FICA or Self Employed Contributions Act (SECA) or rules for determining exemption from coverage		
Scholarships (if any taxable)	Income / Other Income / Other Compensation / Scholarships and Grants	J-1		Scholarships are considered "earned" income when determining if a dependent must file a tax return -- but scholarships are not counted as earned income for EIC. Flows to 1040 line 7. See 1098-T.	7	
Scope				ALL items listed as out-of-scope in AARP Foundation Tax-Aide Scope , pub 4012, pub 4491, and alerts from AARP and IRS are listed in the QuickGuide. Any form not in the scope document is out of scope (Joan Moran, NTTCC).		
Scratch Pads	None in TS			TS will have no Scratch Pad equivalent.		
Security check for computer Secunia Personal				Download PSI at http://secunia.com/vulnerability_scanning/personal/ After it's installed, open and Run. Click Settings and Details if you want to see list of all programs checked. Suggest de-select "Start on boot".		
Self employment	Income / Profit or Loss From A Business Sch C)	D-29...		see Sch C. Self-employment tax is auto calculated.	12	
Self employment tax	automatically calculated	H-1		Self-employment tax is automatically calculated on 1040 Other Taxes.	57	
Self employment tax deductible part	automatically calculated			Self-employment tax is automatically calculated on 1040 Adjustments.	27	
Self-employed health	out of scope			out of scope	29	
Seller-financed mortgage interest	Income / Interest and Dividends/ Add / Seller Financed Interest	D-13		Be sure to show the buyer's name, address, and SSN.		
Severance wages				NC no longer exempts any severance wages.		
Short coverage gap exemption for ACA	Health Insurance	ACA-7		The short gap exemption in health coverage is one or two consecutive months between coverage or a different exemption.		
Simplified Employee Pension (SEP) IRA	out of scope			out of scope		
Simplified method taxable amount (gross amt - exclusion)	1099-R line 2a or RRB-1099-R line 7a	D-18,19	78 	To be completed only when "Taxable amount" in box 2 of 1099-R is not given and employee contributions are given in line 9b of the 1099-R. Unless errors are corrected in the TS worksheet, recommend not using the TS Simplified Method worksheet (because it does not provide all the info needed, does not permit other exclusions (like the public safety insurance), and sometimes displays an incorrect amount, e.g., Yale return -- although the correct amount is carried to the 1040). Unless have printout of previous year SimplifiedMethodCalculator or Annuity-Pension Calculator, calculate line 7a taxable amount using the Annuity-Pension Calculator at https://cotaxaide.org/tools/Annuity%20Calculator.html Be sure to click "Show TS input" and print. The printout will show the exclusion for all future years. For Simplified Method calculations when a taxpayer with a joint annuity dies before annuity payments are started, the annuity is no longer considered joint -- and the surviving annuitant becomes the only annuitant for the calculations.	16	
Simplified method link				https://cotaxaide.org/tools/Annuity%20Calculator.html		
Single	Basic Information / Filing Status	B-1	20	File Single if you do not qualify for another filing status <u>and</u> on the last day of your tax year you are unmarried or legally separated under a divorce or separate maintenance decree sanctioned by a court .		

Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
Site Coordinator's Corner at IRS				https://www.irs.gov/individuals/site-coordinator-corner		
SkyDrive Link for NC Guide Documents				Now called OneDrive. Use link at taxvolunteers.com/		
SkyDrive Link for TaxSlayer Techniques (Mecklenburg)						
Smart phones				The use of electronics documents was authorized in a SMT Roundup dated 3/5/14. W-2's, etc. can be accepted on a smartphone or tablet computer -- if legible. Flash drives are not accepted due to the risk of a virus or malware.		
Social Security benefit verification letter				No longer available at Social Security offices. Can obtain one by registering for a "my Social Security account at www.socialsecurity.gov/myaccount and get instantly. Can also call 1-800-772-1213 (to get a mailed copy in 5-7 days).		
Social Security Death Index				When there is a return with a deceased Taxpayer that has been rejected because there is a mismatch between the date of death listed on the return and the Social Security Death Index, the date Social Security has can be checked (sometimes) at no cost at the following link. http://www.stevemorse.org/ssdi/ssdi.html Index is updated generally about 3 months after death. Select "FamilySearch 2" Database. Enter info you are sure of (First Name, last name, year born, year died, etc.). Click "Search".		
Social Security: When Taxable				See SSA-1099. Taxable for individuals when combined income > \$25,000 for individuals or \$32,000 for MFJ. Combined income when figuring tax on Social Security income is Adjusted Gross Income plus nontaxable interest plus 1/2 of social security benefits. See SSA Publication No. 05-10035 "Retirement Benefits" p 14. http://www.ssa.gov/planners/taxes.htm .		
Social Security While Working				If you are younger than full retirement age and make more than the yearly earnings limit, your earnings may reduce your benefit amount. If you are under full retirement age for the entire year, we deduct \$1 from your benefit payments for every \$2 you earn above the annual limit. For 2016, that limit is \$15,720. http://www.ssa.gov/planners/retire/whileworking.html		
Specified Private Activity Bond Interest	Other Taxes / Alternative Minimum Tax (Form 6251) / Interest from specified private ...	D-15		Interest income that is tax-exempt for regular tax purposes but is taxable for alternative minimum tax (AMT) purposes.		
SSA-1099 = Social Security	Income / IRA-Pension Distributions / Social Security	D-27	83	If 2 names on form, use name at top. Box 2 is this beneficiary's SSN. Other may be deceased spouse. Enter Taxpayer's Social Security Benefit (Generally Box 5 of Form SSA-1099), Federal Tax Withheld, and total Medicare Premiums withheld. If the taxpayer had both an RRB -1099 and an SSA-1099, the the amounts must be added manually and entered on the TaxSlayer Social Security 1099 SSA page. A negative box 5 means the taxpayer (or spouse) repaid more to Social Security than received during the year. If the only box 5 entry for the return is negative, no entry is made. If there are other box 5 entries (for a spouse or from an RRB-1099), then the negative amount is subtracted from the positive amounts and the result is entered (p 88 in pub 17). Social Security benefits paid by Canada & Germany are entered the same as U.S. Social Security (p 5 pub 915). TP must provide funds conversion (usually converted by bank). See also Lump Sum Social Security & RR.	20	
SSN/Name match				A photo ID for taxpayer & spouse and proof of SSN for taxpayer, spouse, & dependents: (1)Social Security card, (2)SSN at top of Social Security statement of benefits (SSA-1099), (3)Verification letter from Social Security Administration., (4)Medicare card ending with the letter A, (5)ITIN Letter. (We can NOT accept (1)other Medicare cards, (2)military ID's, (3)last year's return, etc.)		

Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
Standard deductions		F-1,2	144	MFJ(<65, not blind)=12,600,MFJ(1>65 or blind)=13,850,MFJ(both>65 or blind)=15,100. See F2 for other combinations. HoH(<65, not blind)=9,300, HoH(>65 or blind)=10,850, HoH(>65 & blind)=12,400 Single(<65, not blind)=6,300, Single(>65 or blind)=7,850, Single(>65 & blind)=9,400 MFS(<65, not blind)=6,300, MFS(>65 or blind)=7,550, MFS(>65 & blind)=8,800 QW(<65, not blind)=12,600, MFS(>65 or blind)=13,850, MFS(>65 & blind)=15,100		
State	State Section	K-13		When going back into the State section, we have to go through a number of steps: Click (1) <u>State section</u> , (2) <u>Edit</u> , (3) <u>Enter Myself</u> . If only the county was entered before, we also have to click (4) <u>Continue</u> for the county selected, and (5) <u>YES</u> to add something on the Congratulations page.		
State refund applied from last year	Federal/Payments and Estimates/ State Estimated Payments					
State refund applied to next year	State / Payments /Apply Your State Refund	H-3				
State refund worksheet	Federal / Income / State & Local Refunds	D-11	91	Recommend using the Taxable Refund and Recovery Calculator at http://cotaxaide.org/tools/Refund%20Calculator.html -- along with the IRS Sales Tax Calculator. Do not complete this worksheet if any ONE of the following is true: 1)did not receive a State refund, or (2)did not itemize last year, or (3)did not deduct state income taxes last year on line 5a of Sch A, or (4)took the standard deduction on line 40 of the 2014 1040. Non-returning clients can call IRS #1-800-829-1040 & ask that last year's return transcript be faxed. IF there is a taxable amount AND 2015 sales tax data is not available, enter \$286 (\$326 MFJ) for the sales tax for NC residents (\$295 & \$336 in Rowan). If there's still a taxable refund, use the IRS Sales Tax Calculator. Ask client if had benefits from VA or public assistance or gifts or other nontaxable income. Out of scope if refund not for prior year. Unused refundable tax credits from the prior year can reduce/eliminate the taxable amount of a state refund. IF (and only if) the Taxable Refund and Recovery Calculator shows a taxable amount, then (1)Check to see if the tax after nonrefundable credits for 2015 (1040 line 56) is zero. (2)If it is not zero, then enter the taxable amount from the calculator into line 1 of TS refund worksheet and stop here. (3)If 1040 line 56 is zero, then check to see if all of the refundable credits (foreign tax, child care, retirement savings, child tax, and residential energy) were needed and used to offset taxes on line 47. (4)If all of the refundable credits were used, then enter the taxable amount from the calculator into line 1 of TS refund worksheet and stop here. (5)If all of the refundable credits were not used, then compute the amount of credits not used. (6)Divide the amount of unused credits by marginal tax rate by looking at the rate schedule in 1040 instructions (e.g., If there was \$25 in unused tax credits and the marginal rate was 10%, then divide the \$25 by 0.10 (= \$250)). (7)Enter the amount of taxable income from step 6 that could have been offset by unused credits (e.g., \$250). (2015 NTTC slide presentation 14 Income State Tax Refund TY15 Rel 2.ppt)	10	
State refund worksheet from <u>Years Earlier than the Prior Year</u>	Federal / Income / State & Local Refunds	D-11	91	<ul style="list-style-type: none"> • 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. 		

Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
State Return Only				Since a federal return must be prepared in order to file a NC return, both federal and state returns should be filed -- where possible. Also, we do not prepare state returns for people who bring in a federal return that was prepared somewhere else. In rare cases where only the state return is filed, it must first be unlinked in TS by checking the box "Send State Only" in the e-File process.		
State returns other than NC				For taxpayer returns that involve other states, we are limited to (1)states that have no income tax (AK,FL,NV,SD,TX,WA,WY), or very limited tax (TN if int/div <\$1250 or <\$2500 MFJ or age >64 & income <\$37000 or \$68000 MFJ) or (2)states for which we are trained or (3)states that will help us with the returns. If disregard AARP guidelines and do a state return for which you have not been trained, make the other state return a paper copy, delete reference to AARP Tax Aide and site, and clearly mark on taxpayer copy " Not for Filing ".		
State sales tax worksheet for Sch A	Federal / Deductions / Itemized / Taxes You Paid / Begin Sales Tax Wkt			Must choose state, enter the number of days living in the state (e.g., 365), enter any <u>local</u> tax rate (if any), and enter <u>4.75</u> for the state rate in NC. (If the state rate is not entered, TS will automatically look up the state rate and use it -- without showing the percent.). Sales tax on on large items (like a car) go at the bottom of the sales tax worksheet. If the <u>Practice Lab 2016</u> sales tax deduction worksheet is not calculating correctly (as is the case 12-17-16), Preparers in NC can use the <u>NC Sales Tax Deduction Calculation Tool for 2016</u> (adding AGI + nontaxable income) to calculate the correct amount. Enter "1" day and then the amount given minus \$2 on the "General sales tax paid" line. Do not enter any state or local rates. Check the printout Sch A to see if the amount equals the amount given in the tool. Don't forget to add in any sales tax on cars, etc. For NTTC workbook returns in Practice Lab <u>2016 only</u>, use the following amounts: Miller (\$827.25), Parsons (\$1,004.50), Thompson (\$1,023.75), Yale (\$1,083.25)		
State tax paid from refund prior year	Federal / Payments & Estimates / State Estimated Payments	H-3		Record any refund applied from last year on first line.		
State tax paid in tax year for a prior year	Federal / Deductions / Itemized / Taxes You Paid / Additional State and Local Income Tax	H-3		This would include payments of (1)amount owed made with the 2015 tax return, (2)payments of back taxes, (3)and 4th quarter estimated payment for 2015 made in January 2016.		
State tax withheld on 1099-INT/broker stmt	Federal / Payments & Estimates / Other State Withholdings			As of 2-3-2017, there's no place in TS to enter this on the 1099-INT or 1099-DIV. Enter on Payments & Estimates / Other State Withholdings. Can also find by typing "state" in the search box. Flows to NC 400 p2 line 20 (NC income tax withheld). Also flows to Sch A line 5a.		
Stocks/bonds/mutual fund sales	Income / Capital Gain / Capital Gains	D-37/43		See 1099-B	13	
Stock Prices Historical				http://finance.yahoo.com/ Enter stock symbol. Click Historical Prices. Choose date.	13	
Student loan interest deduction	Deductions / Adjustments / Student Loan Int	E-6	136	MAGI < \$80,000 (\$160,000 MFJ) Max \$2500. For you, your spouse, or a person who was your dependent when you took out the loan . Can <u>not</u> be paid to a relative. Credit decimal (or %) credit rate is given on f8880, depending on income & filing status.	33	
Support		C-9		4012 provides a worksheet on C-9 for Determining Support Scholarships do not count toward support for a taxpayer's child if the child is a full-time student (but do count for other dependents) (pub 501 pp 15, 21).		
Tags				Tags are checkboxes to show give info about return status (e.g. Waiting for Signature). ERO can customize Tags in configuration Menu.		
Tax Return Filing Date		New-1		April 18, 2017		

Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
Tax exempt interest	Income / Interest and Dividends / Interest or Dividend / Tax Exempt (click "Add" to get new form)	D-14		If other interest has already been entered, click "Add" to get the different form to add tax-exempt interest. Can also find form by clicking taxpayer name / Quick File / type "EX" in search box. See example on page D-14. For K-1 tax-exempt interest (form 1120s box 16 code A) taxable by the state, enter under State / Additions.		
Tax preparation fees	Deductions / Itemized / Miscellaneous /	F-8	201			22
Tax, income State & Local	W2's & 1099's & Estimated	H-3		automatically carried to Sch A line 5a.		5a
Tax, other	Deductions / Itemized / Taxes /	F-6				8
Tax, personal property (e.g. vehicle)	Deductions / Itemized / Taxes /	F-6	155	NC vehicle tax is based on value and can be deducted.		8
Tax, real estate	Deductions / Itemized / Mortgage Interest if 1098 or Deductions / Itemized / Taxes /	F-6	153	Use the amt actually paid in 2016.		6
Tax, sales on auto, boat, etc.	Deductions / Itemized / Taxes You Paid / Begin Sales Tax Wkt	F-6				
Tax, self-employment one-half of	auto calculated		206	auto calculated on Sch SE	27	

Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
Taxable refund worksheet	Federal / Income / State & Local Refunds	D-11	91	<p>Recommend using the Taxable Refund and Recovery Calculator at http://cotaxaide.org/tools/Refund%20Calculator.html -- along with the IRS Sales Tax Calculator.</p> <p>Do not complete this worksheet if any ONE of the following is true: 1) did not receive a State refund, or (2) did not itemize last year, or (3) did not deduct state income taxes last year on line 5a of Sch A, or (4) took the standard deduction on line 40 of the 2014 1040. Non-returning clients can call IRS #1-800-829-1040 & ask that last year's return transcript be faxed. IF there is a taxable amount AND 2015 sales tax data is not available, enter \$286 (\$326 MFJ) for the sales tax for NC residents (\$295 & \$336 in Rowan). If there's still a taxable refund, use the IRS Sales Tax Calculator. Ask client if had benefits from VA or public assistance or gifts or other nontaxable income. Out of scope if refund not for prior year.</p> <p>Unused nonrefundable tax credits from the prior year can reduce/eliminate the taxable amount of a state refund. IF (and only if) the Taxable Refund and Recovery Calculator shows a taxable amount, then (1) Check to see if the tax after nonrefundable credits for 2015 (1040 line 56) is zero. (2) If it is not zero, then enter the taxable amount from the calculator into line 1 of TS refund worksheet and stop here. (3) If 1040 line 56 is zero, then check to see if all of the refundable credits (foreign tax, child care, retirement savings, child tax, and residential energy) were needed and used to offset taxes on line 47. (4) If all of the refundable credits were used, then enter the taxable amount from the calculator into line 1 of TS refund worksheet and stop here. (5) If all of the refundable credits were not used, then compute the amount of credits not used. (6) Divide the amount of unused credits by marginal tax rate by looking at the rate schedule in 1040 instructions (e.g., If there was \$25 in unused tax credits and the marginal rate was 10%, then divide the \$25 by 0.10 (= \$250)). (7) Enter the amount of taxable income from step 6 that could have been offset by unused credits (e.g., \$250). (2015 NTTC slide presentation 14 Income State Tax Refund TY15 Rel 2.ppt)</p>	10	
TaxAide help				Log in to the AARP Portal (OneSupport). Click on OneSupport Help Center. Click on Submit a Request at the top.		
Taxes withheld for federal return on 1099s (not INT or DIV)	Payments & Estimates / Other Federal Withholding			If on a 1099 without a place to enter withholding, add it here and use the check box "Check here if this withholding is from a 1099". Flows to 1040 line 64		
TaxSlayer Techniques (Mecklenburg)				Tools from Mecklenburg available through www.taxvolunteers.com or at https://1drv.ms/f/s!AkoLJRtJ3lf4gSJ-7LL20v_o3hDe		
TaxSlayer/TS blog						
TaxSlayer/TS help NC				For problems that cannot be solved locally, do not call TaxSlayer first. Instead, call Bob Forsythe 828-684-0643 (H) 314-973-4535 (Cell), Larry Hoffman 252-257-2794 (H) 919-435-8270 (Cell), Jim Spicer 828-891-1026 (H) 828-699-3322 (Cell), Steve Graf 336-495-2510 (H) 336-653-9222 (Cell), Jean Deal H 336-973-7517 (H) 336-469-7731 (Cell).		
TaxSlayer/TS prior year returns		M-3,4				
TaxSlayer/TS shortcuts, etc.				FullScreenToggle=F11, Minimize/bringbackInternetExplorerToolbar=F11, Refresh=F5 or Ctrl-F5 (more powerful), Zoom100%=Ctrl-0		
TD F 90-22.1				out of scope. Report of Foreign Bank and Financial Accounts		
Tennessee Tax Returns				Info on preparing TN tax returns can be found on the NC OneDrive in the 2016/Other States/ TN folder. Most residents or part-year residents are not required to file a tax return.		

Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
Tips, allocated	Income / Wages ... / W-2 line 8	D-9	55	Will carryover from W2 line 8 to Form 4137 line 4 If there is an amount in Box 8, allocated tips, actual tips from a tip log can always be used instead of the allocated tip amount. If taxpayer has kept a tip log showing total tips, enter that amount as unreported tips and make no entry Box 8, allocated tips.	7	
Tips, unreported	Income / Wages ... / W-2 below line 10 <u>and</u> Other Taxes / Tax on Unreported Tip Income (Form 4137)	D-9	55	Enter on the TS W-2 below line 10. Flows to line 7 of the 1040. If <\$20/month unreported tips, also enter on Other Taxes / Tax on Unreported Tip Income (Form 4137) to avoid extra Social Security and Medicare tax on 1040 line 58.	7	
Training in TS				To access 2015 training, go to https://vita.taxslayerpro.com/IRSTraining/en/Account/Access		
Travel expenses		F-9,12		"Travel" (that goes to Sch C line 24a) includes lodging and transportation. "In general, you can deduct only 50% of your business-related meal and entertainment expenses. (If you are subject to the Department of Transportation's "hours of service" limits, you can deduct 80%" (IRS.gov)		
Tuition & fees deduction federal	Deductions / Adjustments / Tuition & Fees	Tab J	137	See Education Credits. Credit usually better. However , the tuition & fees deduction can be better than the Lifetime Learning credit <u>if/when</u> taxable income is low and the nonrefundable credit is not needed. In such cases, the lower AGI may result in higher EIC. Likewise, if business related, entering on Sch C is sometimes better than the Lifetime credit. Eligible expenses for the tuition and fees deduction are the same as for the Lifetime Learning credit – except that expenses must be paid by the taxpayer (not the dependent student, grandparent, etc.) (p 41 in pub 970).	34	
Tuition & fees deduction NC	State / Additions /Other? (automatic?)			If a tuition & fees deduction was taken on 1040 line 34, enter the amount on State / Additions / Other (flows to line 3 of NC Sch S) -- unless TS is fixed to add it automatically . Since it is not deductible in NC, it must be added back to NC income.		
Unclaimed dependents	Basic Information / Dependents	Tab C		An unclaimed dependent cannot claim their own exemption deduction, but they are allowed credits for education (AOC or LLC) and retirement savings. TaxSlayer will not allow either credit and there is no way to manually fix this. Estimate the amount and advise taxpayer to go to a paid preparer (or to come back later in the season to see if TaxSlayer has fixed it). TaxSlayer 2016 Tips		
Undistributed Long-Term Cap Gn	out of scope		251	out of scope f2439	13	
Unearned income for EIC examples		I-1		Alimony; Child support; Disability Insurance payments; Earnings for work performed while an inmate at a penal institution; Excludable dependent care benefits (line 24 of Form 2441); Excludable employer-provided educational assistance benefits (may be shown in box 13 of Form W-2); Interest and dividends; Nontaxable foster-care payments; Pensions and annuities; Salary deferrals (for example, under a 401(k) or 403(b) plan or the Federal Thrift Savings Plan); Salary reductions such as under a cafeteria plan; Social security and railroad retirement benefits; <u>Taxable scholarship</u> or fellowship grants that are not reported on Form W-2; The value of meals or lodging provided by an employer for the convenience of the employer ; Unemployment compensation; Veteran's benefits (including VA rehabilitation payments); Welfare benefits; Workers' compensation benefits; Workfare payments		
Unemployment benefits	Income/Unemployment Compensation	D-3,8	93	Fully taxable since 2013. Boxes 7-9 are out of scope. See Instructions For Recipient for box 2 on 1099-G for amounts which may appear in the blank box beside box 9. Amounts in this blank box are interest and are in scope. Not considered earned income. Skip phone number (not required).	19	
Uniforms, union dues	Deductions / Itemized / Unreimbursed Employee Business Expense	F-7		Uniforms can be claimed only if required to wear them and they are unsuitable for everyday wear.		21
Unmarried	Basic Information	B-2	22	See "Married or unmarried"		

Item to Enter + Tips	Where to Enter in TS	4012	Pub 17	Highlights & Notes	1040	SchA
Vehicle highway use tax	Federal / Deductions / Itemized / Taxes You Paid / Begin Sales Tax		152	The NC tax on vehicle purchases is a "highway use tax" -- not a sales tax. However, IRS has ruled that it may be deducted as a sales tax on line 8 of the Sales Tax (NC) Wkt attached to Sch A, as of 1-23-2014).		
Vehicle property tax	Deductions / Itemized / Taxes /	F-6	155	Vehicle property tax is deductible on Sch A line 7.		
Virtual currency	out of scope			Transactions in virtual currencies (such as Bitcoin) are out of scope		
Volunteer Expenses	Deductions / Itemized / Gifts to Charity / Non-Cash		165	"Out-of-pocket expenses when you serve a qualified organization as a volunteer" are deductible as noncash charitable contributions.		
W-2	Income / Wages	D-9,10	46	Enter exactly as on paper W-2, even if mistakes. (One exception: IF 0 in box 1, enter \$1 in boxes 1 and 2a. Another is that if box 16 and 17 of the W-2 are blank, the state and EIN should be left blank as well.) Health insurance coded DD on line 12 is not deductible on Sch A. If box 1 is 0 and box 12 has an amount and code J, then enter "1" in box 1. Box 12 codes Q (without military cert), R, T, W (without HSA cert) are out of scope. If box 12 code is <u>W</u> , form 8889 must be completed. See also 8880 regarding retirement contributions.		
W-2G	Income / Other Income / Gambling Winnings W2G	D-3,44	96	see Gambling Winnings & Gambling Losses	21	
W-4				Not available in TaxSlayer	21	
W-7 ITIN application	Miscellaneous Forms / Application for ITIN (W-7)	L-3		<u>Follow the instructions on L-3 in pub 4012.</u> First, in personal info, use 000-00-0000 for the SSN. Then open the W-7. Fill in name of each family member applying for an ITIN on a separate Form W-7 application.		
Who should file?		A-1/A-3		See guide document <i>Who Should File</i> . Earned income for EIC includes code 3 disability payments on 1099-R. The filing thresholds for NC (\$7500 for Singles and \$15,000 for MFJ) are determined by federal "gross income" -- not AGI (NC D401 p5). If not filing, tax counselor should follow local policy, such as give client letter saying no need to file.		
Widow/widower only with dependent child or stepchild	Basic Information / Filing Status	B-1/B-2	24	Enter year spouse died (2014 or 2015). Entitled to file MFJ year spouse died. Not remarry this tax year. Have son, daughter, stepson, or stepdaughter can claim as exemption.(No other dependents for this!). Paid > half cost of keeping up main home for taxpayer and that child the entire year.		
Worthless securities/ stock		D-36		If a security is deemed totally worthless on the brokers' statement, enter it on the Capital Gains Transaction entry screen and select "Worthless" from the Alternate Option Date Sold. (D-36 replacement page)		