

IRS Publication 4012

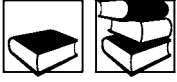
Updates

2022 Returns

Please replace the pages in your Pub 4012 following the instructions on the first 3 pages.

Note that there is an error in the instructions for page I-2. This has been corrected – replace page I-1 (no changes) and I-2. Not I-2 and I-3 (no changes).

Also added fix for VTA 2023-03 – replaced I-2 (latest version) and I-3 (updated) and added I-4 (no changes) to make pages complete.



2022 Publication 4012, VITA/TCE Volunteer Resource Guide

Page Number	Changes
	Section Title
5	No changes.
6	F(orm) S(chedule) # F 1040 , Line 13, under Scope Limitations: In the first bullet under “ Not in scope for: ” replace: \$175,050 with \$170,050
13	F(orm) S(chedule) # F 1099-H , under Scope Limitations: After “Health Coverage Tax Credit” add: , if entended,
14	No changes.
17	No changes.
18	F(orm) S(chedule) # F 8885 , under Scope Limitations: After “Health Coverage Tax Credit” add: , if entended,
19	No changes.
20	F(orm) S(chedule) # F 8962 , under Scope Limitations, Not in scope for: In bullet #3 after “Individual eligible for the health coverage tax credit” add , if entended,
	Tab A: Who Must File
A-3	Under the heading, You must file a return if any of the conditions below apply for 2022 , in sentence #6, after “Advance payments of the health coverage tax credit” add: , if entended,
A-4	Under the heading, Chart D - Who Should File , in sentence #2, replace: “for last year’s estimated tax” with “from last year’s tax return applied to this year’s taxes.”
	Tab C: Dependents
C-1	No changes.
C-2	Under heading, Tiebreaker Rules , at the end of the first paragraph in the 7 th box, remove the last sentence.
	Tab D: Income
D-19	No changes.
D-20	Under heading, Form 1099-K , in the gray box on the left of the screenshot of the Form 1099-K, remove: And Box 1b

Page Number	Changes
D-20	Under heading, Form 1099-K , in the 2 nd paragraph at the top, change: For the returns for calendar years prior to 2022: to For the returns for calendar years after 2023:
D-20	Under heading, Form 1099-K , in the 3 rd paragraph at the top, change: For the returns for calendar years after 2021: to For the returns for calendar years after 2022:
D-20.1	New page insert.
D-53	Under the heading, Schedule K-1 Scope (continued) , on the screenshot of Schedule K-1, Form 1120-S, move: the blue #1 from line 16A to 16C
D-53	Under the heading, Schedule K-1 Scope (continued) , on the screenshot of Schedule K-1 (1065), move: the blue #1 from line 18A to 18C
D-53	Under the heading, Schedule K-1 Scope (continued) , in the first sentence of gray box marked 2 replace: Codes "P and Q" with Box 21
D-54	No changes.
D-63	Under the heading, Entering Other Compensation in Taxslayer , in the gray box marked 1 replace the third sentence with: The amount will appear on Form 1040, Schedule 1.
D-63	Under the heading, Entering Other Compensation in Taxslayer , in the gray box marked 2 remove the last sentence.
D-63	Under the heading, Entering Other Compensation in Taxslayer , in the gray box marked 3 replace the fourth sentence with: Wages earned while incarcerated will appear on Form 1040, Schedule 1.
D-64	No changes.
Tab E: Adjustments to Income	
E-7	No changes.
E-8	Under heading, Health Saving Accounts (HSA) (continued) , in the gray box marked #3, replace: "Forms 8889 will calculate the amount of excess contributions, if any, with "If Form 8889 Line 2 exceeds Line 13, there are excess contributions."
Tab F: Deductions	
F-1	No changes.
F-2	Under heading, Standard Deduction Worksheet for Dependents , in the worksheet screenshot, in the Earned Income paragraph, replace: Lines 8r and 15 with line 15.

Page Number	Changes
F-11	Under heading, Schedule A - Itemized Deductions (continued) , in the Notes at the top of the page, remove : Certain qualified contributions made for relief efforts in disaster areas are not subject to the AGI limitation. See publication 976, Disaster Relief.
F-12	No changes.
Tab G: Nonrefundable Credits	
G-1	No changes.
G-2	Under heading, Child Tax Credit (continued) , in sentence #6, replace : (See Exception to Time Lived With You section on the Child Tax Credit chart on the following page.) with “See exceptions to time lived with taxpayer in the Overview of the Rules for Claiming a Dependent chart)
Tab H: Other Taxes, Payments, and Refundable Credits	
H-9	No changes.
H-10	Under heading, Premium Tax Credit (continued) , in the gray box marked 1 replace the first bullet sentence with: Are not lawfully present in the United States; or
H-10	Under heading, Premium Tax Credit (continued) , in the gray box marked 1, replace , the second bullet sentence with: Were eligible for the Trade Adjustment Assistance Health Care Tax Credit (HCTC), if extended (Out of Scope)
H-10	Under heading, Premium Tax Credit (continued) , in the gray box marked 2 remove : The Taxslayer default answer is NO for this question. It is very important to change to YES if income is below 100% of the Federal Poverty Line (9FPL) and one of the two “yes” conditions is met. If it is not changed to YES, the software will complete Form 8962 showing repayment of all the APTC without limitation.
H-11	No changes.
H-12	Under the heading, Premium Tax Credit, Form 8962 , in the gray box marked 1, replace , the last sentence with: Refer Taxpayer to Part IV, Allocation Situation 2, of the Form 8962 instructions to determine the amount of APTC the taxpayer must repay (Out of Scope).
H-15	No changes.
H-16	Under the heading, Consider income adjustments to reduce household income , in the fourth bullet sentence, behind HTCT, add : , if extended,
I-2	Under the heading, Summary of EIC Eligibility Requirements , in the first column labeled, Part A Rules for Everyone , in the second text box, change : 3 to 4
I-3	No changes.
Tab K: Completing the e-File Section (continued)	
K-5	Under the heading, Split Refund Option , at the end of the first paragraph remove the last sentence.

How to Use This Guide

This publication is designed as a guide to assist you in preparing a return using TaxSlayer.* Not all forms are authorized for all volunteer programs. Forms intended specifically for the Military VITA Program will be annotated as such. Volunteers should only provide tax assistance based on their level of certification—Basic, Advanced, Military, International, Foreign Student and Puerto Rico 1 & 2.

The screening sheets/decision trees, charts and interview tips are from your training materials, **Publication 17**, Your Federal Income Tax Guide For Individuals, and other tax topic related publications. Use these tools during the dialogue with the taxpayer—“ask the right questions; get the right answers.”



Notes



Tips



Caution



TaxSlayer



Navigation

Here are the icons used for ease of navigation though-out this publication. Hyperlinks in blue bold type will link you to the link or document labeled. Also the Table of Contents is linked to jump to every listing.

Interactive Tax Assistant (ITA), is an excellent tool to guide you through answers to tax law questions and is available www.irs.gov/help/ita.

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



*The software may change after this publication becomes available. Screen shots in this guide may depict last year's version of the software. Follow the menus and prompts to enter current year tax information in the software. If additional information is needed, refer to TaxSlayer's VITA/TCE Blog. The blog will keep you up to date with any changes and notifications regarding preparing, creating or modifying returns. **Publication 4491-X**, VITA/TCE Training Supplement, will be released in January to notify volunteers of any tax law and software updates.*

*TaxSlayer is a copyrighted software program owned by Rhodes Computer Services. All screen shots that appear throughout the official Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) training materials are used with the permission of Rhodes Computer Services.

Scope of Service

When using the list, please note that column 3 (In Scope?) does not stand alone. Additional information contained in columns 4 and 5 (Scope Limitations and Certification Levels) may include topics or certification levels that affect whether volunteers may or may not prepare the return under the provisions of the Volunteer Protection Act.

If no certification level is listed, the topic is in scope for all certification levels.

Many forms and schedules that are out of scope are included as reference. If a form or schedule is not listed, it is out of scope because no training has been provided. In addition, if a volunteer has not been trained on an in-scope tax law topic, that topic is out of scope for that volunteer.

F(orm) or S(chedule) Number	Line or Box Number	In Scope? Y or N	Scope Limitations	Certification Levels
F 1040	Digital asset (virtual currency) question	Y	In scope if taxpayers can check the No box. Taxpayers check No if they: <ul style="list-style-type: none"> held no virtual currency for the tax year or if the taxpayer's only transactions involving virtual currency during the tax year were purchases of virtual currency with real currency held virtual currency in a wallet or account transferred virtual currency from one wallet or account they own or control to another that they own or control received virtual currency as an inheritance or gift 	
F 1040	1	Yes	Wages, salaries, tips, etc.	Advanced certification required for unreported tip income.
F 1040	2a, b	Yes	Tax-exempt and taxable interest See F 1099-INT for limitations	
F 1040	3a, b	Yes	Qualified and Ordinary dividends See F 1099-DIV for limitations	
F 1040	4a, 4b, 5a, 5b	Yes	IRAs, pensions and annuities See F 1099-R for limitations Not in scope for: <ul style="list-style-type: none"> Foreign retirement arrangements that may need special reporting on FINCEN 114 or F 8938 	Basic certification if taxable amount is determined. Advanced certification required if taxable amount is NOT determined.
F 1040	6a, b	Yes	Social Security benefits Not in scope for: <ul style="list-style-type: none"> Foreign social security from Canada or Germany that is treated as U.S. Social Security 	
F 1040	7	Yes	Capital gain or loss. See F 8949 limitations	Advanced certification required.
F 1040	12	Yes	Standard deduction or Itemized deductions See F 1040 Schedule A limitations	Advanced certification required for itemized deductions.
F 1040	13	Yes	Qualified Business Income deduction In scope for: <ul style="list-style-type: none"> The 20% deduction for sole proprietors and taxpayers with qualifying REIT dividends Form 8995 Not in scope for: <ul style="list-style-type: none"> Taxable income over \$170,050 (\$340,100 if MFJ) Publicly traded partnership income Form 8995-A 	
F 1040	16	Yes	Tax See Schedule 2 for limitations	
F 1040	19	Yes	Child tax credit or credit for other dependents	
F 1040	23	Yes	Other taxes See limitations on Schedule 2	

F(orm) or S(chedule) Number	Line or Box Number	In Scope? Y or N	Scope Limitations	Certification Levels
F 1098-E		Yes	Student Loan Interest Statement	
F 1098-MA		No	Mortgage Assistance Payments	
F 1098-Q		Yes	Qualifying Longevity Annuity Contract Information (information only) No tax reporting required.	
F 1098-T		Yes	Tuition Statement Not in scope for: • Boxes 4 and 6 (Adjustments)	
F 1099-A		Yes	Acquisition or Abandonment of Secured Property See F 982 for limitations In scope for: • Qualified principal residence (if extended)	Advanced certification required
F 1099-B		Yes	Proceeds from Broker and Barter Exchange Transactions Not in scope for: • FATCA filing requirement box checked • Boxes 1f, 3 and 7-11, 13	Advanced certification required
F 1099-C		Yes	Cancellation of Debt See F 982 for limitations In scope only for: • Nonbusiness credit card debt cancellation including interest in box 3 when taxpayer is solvent before the cancellation • Discharge of qualified principal residence indebtedness • Discharge of certain student loan debt in 2021 through 2025 Not in scope for: • Cancellation of debt when Form 1099-C includes an amount for interest (exception listed above)	Advanced certification required
F 1099-CAP		Yes	Changes in Corporate Control and Capital Structure (information only) • No tax reporting required.	
F 1099-DIV		Yes	Dividends and Distributions Not in scope for: • Taxpayer is a nominee • Boxes labeled Unrecap Sec. 1250 gain, Section 1202 gain, Collectibles (28%) gain, Section 897 ordinary dividends, Section 897 capital gain, Cash liquidation distributions, and Noncash liquidation distributions • FATCA filing requirement box checked	
F 1099-G		Yes	Certain Government Payments In scope for: • Unemployment compensation • Refunds, credits, or offsets of state or local income tax • Box 5, RTAA payments • Box 6, Taxable grants Not in scope for: • Box 3 is other than the current tax year • Boxes 7-9	
F 1099-H		No	Health Coverage Tax Credit, if extended	

F(orm) or S(chedule) Number	Line or Box Number	In Scope? Y or N	Scope Limitations	Certification Levels
F 1099-INT		Yes	Interest Income See F 8615 for limitations (children with unearned income) Not in scope for: <ul style="list-style-type: none"> • Taxpayer is a nominee • An adjustment is needed to any amount reported • Amounts reported in the box labeled Specified private activity bond interest if AMT applies • Amounts reported in the box labeled Bond premium that exceed amounts reported in the box labeled Interest • FATCA filing requirement box checked • Accrued bond interest other than for savings bonds • Bonds bought or sold between interest payment dates other than for savings bonds • Bond premium on Treasury obligations that exceed Interest on U.S. Savings Bonds and Treasury obligations • Bond premium on tax-exempt bond that exceed Tax-exempt interest 	
F 1099-K		Yes	Payment Card and Third Party Network Transactions In scope for: <ul style="list-style-type: none"> • Taxable income received for self-employment income (such as shared-economy driving). • Form 1099-K received for rental income is in scope for Military certification only. Not in scope for: <ul style="list-style-type: none"> • Forms 1099-K received for any other type of taxable income 	Advanced certification required; Military certification if received for rental income
F 1099-LTC		Yes	Long-Term Care and Accelerated Death Benefits	Advanced certification required
F 1099-MISC		Yes	Miscellaneous Information Not in scope for: <ul style="list-style-type: none"> • Box 5 Fishing boat proceeds • Boxes 7-15 • FATCA filing requirement box checked 	Military certification required for Box 1 Basic certification required for Box 3 Advanced certification required for all other entries
F 1099-NEC		Yes	Nonemployee compensation Not in scope for: <ul style="list-style-type: none"> • Athletes receiving NIL income 	Advanced Certification required
F 1099-OID		Yes	Original Issue Discount Not in scope for: <ul style="list-style-type: none"> • FATCA filing requirement box checked • Box 6 Acquisition premium • Adjustment needed, or no form received 	
F 1099-PATR		Yes	Taxable Distributions Received From Cooperatives In scope for: <ul style="list-style-type: none"> • Box 1 for personal use only 	Advanced certification required
F 1099-Q		Yes	Payment From Qualified Education Programs (under section 529 and 530) Not in scope for: Distributions from Educational Savings Accounts if: <ul style="list-style-type: none"> • Funds were not used for qualified education expenses or • Distribution was more than the amount of the qualified expenses 	
F 1099-QA		Yes	Distribution from ABLE Account Not in scope for: <ul style="list-style-type: none"> • Distribution from ABLE Account that was more than the amount of the qualified expenses 	

F(orm) or S(schedule) Number	Line or Box Number	In Scope? Y or N	Scope Limitations	Certification Levels
F 6251		Yes	Alternative Minimum Tax In scope for: <ul style="list-style-type: none"> Interest from private activity bond on Line 2g Out of scope if AMT applies	
F 6252		No	Installment Sales Income	
F 6781		No	Gains and Losses From Section 1256 Contracts and Straddles	
F 7202		Yes	Credits for Sick Leave and Family Leave for Certain Self-Employed Individuals	Advanced certification required
F 3903		Yes	Moving Expenses In scope for: <ul style="list-style-type: none"> Active duty military taxpayer only 	Military certification required
F 8275		No	Disclosure Statement	
F 8275 R		No	Regulation Disclosure Statement	
F 8283		Yes	Noncash Charitable Contributions In scope for: <ul style="list-style-type: none"> Noncash contributions of \$500 or less are reported on Schedule A and are in scope (Advanced certification required) Noncash charitable contributions over \$500 are in scope for Military certification only 	Advanced certification required Military certification if >\$500
F 8332		Yes	Release/Revocation of Release of Claim to Exemption for Child by Custodial Parent	
F 8379		Yes	Injured Spouse Allocation See F 8958 limitations (community property states)	
F 8396		No	Mortgage Interest Credit	
F 8453		Yes	U.S. Individual Income Tax Transmittal for an IRS e-file Return	
F 8582		No	Passive Activity Loss Limitations	
F 8606		No	Nondeductible IRAs	
F 8615		Yes	Tax for Certain Children Who Have Unearned Income (also known as Kiddie Tax) In scope for: <ul style="list-style-type: none"> Native Americans receiving per capita payments Alaska residents receiving permanent fund dividends 	Advanced certification required
F 8621		No	Information Return by A Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund	
F 8801		No	Credit for Prior Year Minimum Tax	
F 8805		No	Foreign Partner's Information Statement of Section 1446 Withholding Tax	
S 8812		Yes	Additional Child Tax Credit	
F 8814		Yes	Parent's Election to Report Child's Interest and Dividends In scope for: <ul style="list-style-type: none"> Alaska residents receiving permanent fund dividends 	Advanced certification required
F 8815		No	Exclusion of Interest From Series EE and I U.S. Savings Bonds Issued after 1989	
F 8821		No	Tax Information Authorization	
F 8829		No	Expenses for Business Use of Your Home	
F 8833		No	Treaty-Based Return Positive Disclosure Under Section 6114 or 7701 (b)	
F 8834		No	Plug-In Electric Vehicle Credit	
F 8839		No	Qualified Adoption Expenses	
F 8848		No	Consent to Extend the Time to Access the Branch Profits Tax Under Regulations Section 1.884-2 (a) and (c)	

F(orm) or S(chedule) Number	Line or Box Number	In Scope? Y or N	Scope Limitations	Certification Levels
F 8853		Yes	Archer MSAs and Long-Term Care Insurance Contracts In scope for: <ul style="list-style-type: none"> Section C 	
F 8857		No	Request for Innocent Spouse Relief	
F 8862		Yes	Information to Claim Earned Income Credit After Disallowance	
F 8863		Yes	Education Credits (American Opportunity and Lifetime Learning Credits)	
F 8865		No	Return of U.S. Persons With Respect to Certain Foreign Partnerships	
F 8880		Yes	Credit for Qualified Retirement Savings Contributions	
F 8885		No	Health Coverage Tax Credit, if extended	
F 8886		No	Reportable Transaction Disclosure Statement	
F 8888		Yes	Allocation of Refund (Including Savings Bond Purchases)	
F 8889		Yes	Health Savings Accounts (HSAs) Not in scope for: <ul style="list-style-type: none"> Excess contributions to an HSA that are not withdrawn in a timely fashion Qualified HSA funding distributions from an IRA Death of an HSA holder (when spouse is not the designated beneficiary) Additional Tax for Failure to Maintain HDHP Coverage Deemed distributions from an HSA due to prohibited transactions, such as using an HSA as a security for a loan Archer Medical Saving Accounts (MSA) Medicare Advantage MSA Health Reimbursement Arrangement Part III, lines 18-21 	Advanced certification required
F 8903		No	Domestic Production Activities Deduction	
F 8908		No	Energy Efficient Home Credit	
F 8910		No	Alternate Motor Vehicle Credit	
F 8911		No	Alternative Fuel Vehicle Refueling Property Credit	
F 8915-B		No	Qualified 2017 Disaster Retirement Plan Distributions and Repayments	
F 8915-C		No	Qualified 2018 Disaster Retirement Plan Distributions and Repayments	
F 8915-D		No	Qualified 2019 Disaster Retirement Plan Distributions and Repayments	

F(orm) or S(chedule) Number	Line or Box Number	In Scope? Y or N	Scope Limitations	Certification Levels
F 8915-F		Yes	Qualified Disaster Retirement Plan Distributions and Repayments In scope for: <ul style="list-style-type: none"> • 2020 Coronavirus distributions and repayments Not in scope for: <ul style="list-style-type: none"> • Any other disaster-related distributions 	Advanced certification required
F 8919		No	Uncollected Social Security and Medicare Tax on Wages	
F 8936		No	Qualified Plug-in Electric Drive Motor Vehicle Credit	
F 8938		No	Statement of Specified Foreign Assets	
F 8948		No	Preparer Explanation for Not Filing Electronically <ul style="list-style-type: none"> • Not applicable to volunteers 	
F 8949		Yes	Sales and other Dispositions of Capital Assets In scope for: <ul style="list-style-type: none"> • Sale of stocks, mutual fund shares and personal residences • Bond sales reported on a brokerage statement with capital gain or loss only (no ordinary income/loss) • Capital gains and losses reported on K-1 • Capital loss carryovers • Inherited property of types listed above in this section and, if inherited in 2010, taxpayer provides the basis • Wash sales if reported on brokerage or mutual fund statement Not in scope for: <ul style="list-style-type: none"> • Adjustment codes N, Q, X, R, S or C • Reduced exclusion on sale of home • Residence inherited or received as gift and not used as personal residence. If used as personal residence, taxpayer must provide basis. • Taxpayers who have sold any assets other than stock, mutual funds, or a personal residence • Taxpayers who trade in options, futures, or other commodities, whether or not they disposed of any during the year • Determination of basis issues: <ul style="list-style-type: none"> ○ Basis of any asset acquired other than by purchase or inheritance, such as a gift or employee stock option, unless the taxpayer provides the basis and holding period ○ Basis of inherited property determined by a method other than the FMV of the property on the date of the decedent's death, unless the taxpayer provides the basis and holding period • Like-kind exchanges and worthless securities • Form 1099-B, boxes with entries for any of the following: Bartering; Profit or (loss) realized on closed contracts; Unrealized profit (loss) on open contracts – prior year; Unrealized profit or (loss) on open contracts – current year; or Aggregate profit (loss) on contracts; Proceeds from collectibles; or FATCA filing requirement • Reduced exclusion computations/determinations for the sale of a home • Married homeowners who do not meet all requirements to claim the maximum exclusion on the sale of a home • Decreases to basis, including: Deductible casualty losses and gains a taxpayer postponed from the sale of a previous home before May 7, 1997 • Depreciation during the time the home was used for business purposes or as rental property • Taxpayers with “nonqualified use” issues • Sale of a home used for business purposes or as rental property 	Advanced certification required

F(orm) or S(schedule) Number	Line or Box Number	In Scope? Y or N	Scope Limitations	Certification Levels
F 8958		Yes	Allocation of Tax Amounts Between Certain Individuals in Community Property States In scope for: <ul style="list-style-type: none"> • Taxpayers who are not certain they are in a common law marriage (rules are complex and differ from state to state) • Applicable returns as limited by Site or Program Coordinator • Depending on your tax assistance program, community property tax laws for married taxpayers who file a separate return from their spouse 	
F 8959		No	Additional Medicare Tax	
F 8960		No	Net Investment Income Tax – Individuals, Estates and Trusts	
F 8962		Yes	Premium Tax Credit (PTC) Not in scope for: <ul style="list-style-type: none"> • Self-employed health coverage deductions for taxpayers who are also allowed a PTC • Form 8962 Part IV, Allocation of Policy Amounts, and Part V, Alternative Calculation for Year of Marriage • Individuals eligible for the health coverage tax credit, if extended • If there is a code FF on Form W-2, box 12 and the employee has a Marketplace policy and is otherwise eligible for PTC 	Advanced certification required
F 8995		Yes	Qualified Business Income Deduction Simplified Computation Not in scope for: <ul style="list-style-type: none"> • Certain rental real estate enterprises treated as a single trade or business 	Advanced certification required
F 8995-A		No	Qualified Business Income Deduction	
F 9000		Yes	Request for Alternative Format or Language	
F 9452		No	Filing Assistance Program	
F 9465		Yes	Installment Agreement Request (See fee schedule)	
F 13844		No	Application For Reduced User Fee For Installment Agreement	
F 14039		Yes	Identity Theft Affidavit	
F SS-8		No	Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding	
FinCEN F 114		No	Report of Foreign Bank and Financial Accounts	



Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, is in scope only for volunteers with Foreign Student & Scholar certification.

Chart C – Other Situations When You Must File

You must file a return if any of the conditions below apply for 2022.

1. You owe any special taxes, including any of the following.
 - a. Alternative minimum tax (Out of Scope).
 - b. Additional tax on a qualified plan, including an individual retirement arrangement (IRA), or other tax-favored account. But if you are filing a return only because you owe this tax, you can file Form 5329 by itself.
 - c. Household employment taxes. But if you are filing a return only because you owe this tax, you can file Schedule H by itself (Out of Scope).
 - d. Social security and Medicare tax on tips you did not report to your employer or on wages you received from an employer who did not withhold these taxes.
 - e. Recapture of first-time homebuyer credit. See Instructions for Form 1040, Schedule 2.
 - f. Write-in taxes, including uncollected social security and Medicare or RRTA tax on tips you reported to your employer or on group-term life insurance and additional taxes on health savings accounts. See the Instructions for Form 1040.
 - g. Recapture taxes. See the Instructions for Form 1040 (Out of Scope).
2. You (or your spouse, if filing jointly) received HSA distributions (in scope), Archer MSA distributions (Out of Scope), or Medicare Advantage MSA distributions (Out of Scope).
3. You had net earnings from self-employment of at least \$400. Net earnings are Sch C profit x 92.35%. There is no self-employment tax on Sch C profit of less than \$433.
4. You had wages of \$108.28 or more from a church or qualified church-controlled organization that is exempt from employer social security and Medicare taxes (Out of Scope).
5. Advance payments of the premium tax credit were made for you, your spouse, or a dependent who enrolled in coverage through the Marketplace. You or whoever enrolled you should have received Form(s) 1095-A showing the amount of the advance payments.
6. Advance payments of the health coverage tax credit (if extended) were made for you, your spouse, or a dependent. You or whoever enrolled you should have received Form(s) 1099-H showing the amount of the advance payments (Out of Scope).
7. You are required to include amounts in income under section 965 or you have a net tax liability under section 965 that you are paying in installments under section 965(h) or deferred by making an election under 965(i) (Out of Scope).

Chart D – Who Should File

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

- 1.** You had income tax withheld from your pay, pension, social security or other income.
- 2.** You made estimated tax payments for the year or had any of your overpayment from last year's tax return.
- 3.** You qualify for the earned income credit. See Publication 596, Earned Income Credit (EIC), for more information.
- 4.** You qualify for the additional child tax credit. See the Instructions for Schedule 8812.
- 5.** You qualify for a refundable American Opportunity Credit.
- 6.** You qualify for the Premium Tax Credit.
- 7.** You receive a 1099-B and the gross proceeds plus other income exceeds the filing limits in Chart A.
- 8.** You receive Form 1099-S, Proceeds From Real Estate Transactions.
- 9.** You are required to file a state return.
- 10.** You want to file a \$0 AGI return (such as to prevent tax identity theft, to claim a state credit, or for other assistance). Returns with zero AGI, no refund, and no balance due need to be paper filed. In certain situations, taxpayers may e-file these returns. To e-file, enter \$1 as other income. Go to Income>Less Common Income>Other Income Not Reported Elsewhere and describe as "IN ORDER TO E-FILE."
- 11.** You qualify for the refundable credit for prior year minimum tax. See Form 8801, Credit for Prior Year Minimum Tax — Individuals, Estates, and Trusts (Out of Scope).
- 12.** You qualify for the Credit for Federal Tax Paid on Fuels, Form 4136 (Out of Scope).

Overview of the Rules for Claiming a Dependent



This table is only an overview of the rules. For details, see Publication 17, Your Federal Income Tax For Individuals.

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

Tests To Be a Qualifying Child	Tests To Be a Qualifying Relative
1. The child must be your son, daughter, stepchild, foster child, brother, sister, half brother, half sister, stepbrother, stepsister, or a descendant of any of them. An adopted child is always treated as your own child. The term "adopted child" includes a child who was lawfully placed with you for legal adoption.	1. The person can't be your qualifying child or the qualifying child of any other taxpayer. A child isn't the qualifying child of any other taxpayer if the child's parent (or any other person for whom the child is defined as a qualifying child) isn't required to file an income tax return or files an income tax return only to get a refund of income tax withheld.
2. The child must be: (a) under age 19 at the end of the year and younger than you (or your spouse, if filing jointly), (b) under age 24 at the end of the year, a full-time student, and younger than you (or your spouse, if filing jointly), or (c) any age if permanently and totally disabled.	2. The person either (a) must be related to you in one of the ways listed under Relatives who don't have to live with you (see Table 2, step 2), or (b) must live with you all year as a member of your household ² (and your relationship must not violate local law).
3. The child must have lived with you for more than half of the year. ²	3. The person's gross income for the year must be less than \$4,400. ³ Gross income means all income the person received in the form of money, goods, property and services, that isn't exempt from tax. Don't include Social Security benefits unless the person is married filing a separate return and lived with their spouse at any time during the tax year or if 1/2 the Social Security benefits plus their other gross income and tax exempt interest is more than \$25,000 (\$32,000 if MFJ).
4. The child must not have provided more than half of his or her own support for the year. ⁵	4. You must provide more than half of the person's total support for the year. ^{4, 5}
5. The child isn't filing a joint return for the year (unless that joint return is filed only to claim a refund of income tax withheld or estimated tax paid).	
6. If the child meets the rules to be a qualifying child of more than one person, you must be the person entitled to claim the child as a qualifying child. See the "Qualifying Child of More Than One Person" chart.	

Footnotes

¹ There is an exception for certain adopted children.

² There are exceptions for temporary absences, children who were born or died during the year, children of divorced or separated parents or parents who live apart, and kidnapped children. If you obtained a final decree of divorce or separate maintenance during the year, you can't take your former spouse as a dependent. This rule applies even if you provided all of your former spouse's support.

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

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

⁵ A worksheet for determining support is provided later in this tab. If a person receives Social Security benefits and uses them toward his or her own support, those benefits are considered as provided by the person. Benefits provided by the state to a needy person are generally considered support provided by the state. A proposed rule on which taxpayers may choose to rely treats governmental payments made to a recipient that the recipient uses, in part, to support others as support of the others provided by the recipient, whereas any part of such payment used for the support of the recipient would constitute support of the recipient by a third party. For example, if a mother receives Temporary Aid to Needy Families (TANF) and uses the TANF payments to support her children, the proposed regulations treat the mother as having provided that support.

Qualifying Child of More Than One Person

Tiebreaker Rules

If the child meets the conditions to be the qualifying child of more than one person, only one person can claim the child as a qualifying child dependent for all tax benefits associated with an exemption unless the special rule for children of divorced or separated parents applies¹.

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

No other person can take any of the six tax benefits listed above unless he or she has a different qualifying child. To determine which person can treat the child as a qualifying child to claim these six tax benefits, the following tiebreaker rules apply. Subject to these tiebreaker rules, the taxpayer and the other person may be able to choose which person claims the child as a qualifying child.

If only one of the persons is the child's parent, the child is treated as the qualifying child of the parent.

If the parents file a joint return together and can claim the child as a qualifying child, the child is treated as the qualifying child of the parents.

If the parents don't file a joint return together but both parents claim the child as a qualifying child, the IRS will treat the child as the qualifying child of the parent with whom the child lived for the longer period of time during the year. If the child lived with each parent for the same amount of time, the IRS will treat the child as the qualifying child of the parent who had the higher adjusted gross income (AGI) for the year.

If no parent can claim the child as a qualifying child, the child is treated as the qualifying child of the person who had the highest AGI for the year.

If a parent can claim the child as a qualifying child but no parent claims the child, the child is treated as the qualifying child of the person who had the highest AGI for the year, but only if that person's AGI is higher than the highest AGI of any of the child's parents who can claim the child.

Example: Your daughter meets the conditions to be a qualifying child for both you and your mother. Under the rules above, you are entitled to treat your daughter as a qualifying child for all of the six tax benefits listed above for which you otherwise qualify. Your mother isn't entitled to take any of the six tax benefits listed above unless she has a different qualifying child. However, if your mother's AGI is higher than yours, you can let your mother treat your daughter as her qualifying child. If you do that, your daughter isn't your qualifying child for any of the six benefits.

For more details and examples, see Publication 17 and Publication 501, Exemptions, Standard Deduction, and Filing Information.

Footnote

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

Connecting the Form 1099-NEC to Schedule C

Transferring 1099-NEC to Schedule

Income recorded on a 1099-NEC is reported as either business income (on a Schedule C) or as farm income (on Schedule F).

How would you like to report this income? *

- Schedule C - Business Income ←
- Schedule F - Farm Income

Link the information from the 1099-NEC to Schedule C by selecting the **Schedule C** button and then selecting **Continue**.

BACK

CONTINUE





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



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

Form 1099-NEC

+ Add another Form 1099-NEC

Payer	Owner	Carried To	
ABC COMPANY	Taxpayer	Schedule C	 

CONTINUE

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



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

Form 1099-K

Taxpayers will receive Form 1099-K, Payment Card and Third-Party Network Transactions by January 31st if, in the prior calendar year, they received payments:

- From payment card transactions (e.g., debit, credit, or stored-value cards), AND/OR
- In settlement of third-party payment network transactions above the minimum reporting thresholds as follows:

For returns for calendar years prior to 2023:

- Gross payments that exceed \$20,000, AND
- More than 200 such transactions

For returns for calendar years after 2022:

- Gross payments that exceed \$600, AND
- Any number of transactions



For transactions made after March 11, 2021, The American Rescue Plan Act of 2021 clarifies Form 1099-K reporting by third-party settlement organizations applies only for transactions for the provision of goods or services settled through a third-party payment network.

<input type="checkbox"/> CORRECTED (if checked)		OMB No. 1545-2205	
FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		FILER'S TIN	Form 1099-K Payment Card and Third Party
Combine the Box 1a amounts from all 1099-Ks received for any one business and include in TaxSlayer with any cash income on Schedule C.		PAYEE'S TIN	
		1a Gross amount of payment card/third party network transactions \$	1 Box 1a shows the aggregate gross amount of payment card/third party network transactions made to you through the PSE during the calendar year.
		1b Card Not Present transactions \$	
Check to indicate if FILER is a (an): Payment settlement entity (PSE) <input type="checkbox"/> Electronic Payment Facilitator (EPF)/Other third party <input type="checkbox"/>	Check to indicate transactions reported are: Payment card <input type="checkbox"/> Third party network <input type="checkbox"/>	3 Number of payment transactions	
PAYEE'S name		5a January \$	
Street address (including apt. no.)		5c March \$	
		5e May \$	

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

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

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

General FAQs on New Payment Card Reporting Requirements

(www.irs.gov/payments/general-faqs-on-new-payment-card-reporting-requirements)

Understanding Your Form 1099-K

(www.irs.gov/businesses/understanding-your-form-1099-k)

Gig Economy Tax Center

(www.irs.gov/businesses/gig-economy-tax-center)

Form 1099-K Frequently Asked Questions

For details about these or other FAQs, see [Fact Sheet 2022-41](#) and [Form 1099-K Frequently Asked Questions](#) on IRS.gov.

Q1. How is the IRS planning to address the changes to the Form 1099-K reporting requirements?

A1. As outlined in [Notice 2023-10](#), the IRS is delaying the implementation of the requirement for third party business reporting more than \$600 for the 2022 calendar year.

Q2. Is the gain or loss on the sale of a personal item used to compute my taxable income? Is that reported on a Form 1099-K?

A2. The **gain** on the sale of a personal item is taxable. You must report the transaction (gain on sale) on Form 8949, Sales and Other Dispositions of Capital Assets, and Form 1040, U.S. Individual Income Tax Return, Schedule D, Capital Gains and Losses.

The **loss** on the sale of a personal item is not deductible. For calendar year 2022 tax returns, if you receive a Form 1099-K, for the sale of a personal item that resulted in a loss, you should make offsetting entries on Form 1040, U.S. Individual Income Tax Return, Schedule 1, Additional Income and Adjustments to Income, as follows:

- Report your proceeds (the Form 1099-K amount) on Part I – Line 8z – **Other Income**, using the description "Form 1099-K Personal Item Sold at a Loss."
- Report your costs, up to but not more than the proceeds amount (the Form 1099-K amount), on Part II – Line 24z – **Other Adjustments**, using the description "Form 1099-K Personal Item Sold at a Loss."

Example: If you bought a refrigerator for \$1,000 (the purchase price) and sold it for \$600 (the sales price), you have a **loss** of \$400. Form 1040, Schedule 1, Part I – Line 8z, **Other Income**. List type and amount: "Form 1099-K Personal Item Sold at a Loss \$600" to show the proceeds from the sale reported on the Form 1099-K. and,

Form 1040, Schedule 1, Part II – Line 24z, **Other Adjustments**. List type and amount: "Form 1099-K Personal Item Sold at a Loss.... \$600" to show the amount of the purchase price that offsets the reported proceeds. Do not report the \$1,000 you paid for the refrigerator because the loss on the sale of a personal item is not deductible.

Q3. How do I account for the fees I paid to an online marketplace related to the sale of my personal items?

A3. You should include all fees (e.g., selling fees, payment processing fees, etc.) associated with the sale of your personal items in your basis when computing your gain or loss on the sale.

Q4. My friend and I went to a concert, and my friend reimbursed money to me for her concert ticket through an online application. If I get a Form 1099-K for the reimbursement, do I need to pay taxes on it?

A4. Because the money is not payment for the sale of goods or the provision of services, generally the reimbursement would not be taxable to you. If you cannot get the form corrected, the error should be reported on Form 1040, Schedule 1, Part I, **Additional Income**, Line 8z, **Other Income**, with an offsetting entry in Part II, **Adjustments to Income**, Line 24z, **Other Adjustments**. List type and amount in both entries. For example: "Form 1099-K Received in Error.... \$1,000."

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Schedule K-1 Scope (continued)



Schedule K-1 (Form 1120S) - S Corporation income passes directly to shareholders.

671121
OMB No. 1545-0123

Final K-1 Amended K-1

Schedule K-1 (Form 1120-S) **2022**
Department of the Treasury For calendar year 2022, or tax year
Internal Revenue Service

beginning / / 2022 ending / /

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

Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items		
1	Ordinary business income (loss)	13 Credits
	OOS	OOS
2	Net rental real estate income (loss)	
	OOS	
3	Other net rental income (loss)	
	OOS	
4	Interest income	
5a	Ordinary dividends	
5b	Qualified dividends	14 Schedule K-3 is attached if checked <input type="checkbox"/>
6	Royalties	15 Alternative minimum tax (AMT) items
		OOS
7	Net short-term capital gain (loss)	
8a	Net long-term capital gain (loss)	
8b	Collectibles (28%) gain (loss)	
	OOS	
8c	Unrecaptured section 1250 gain	
	OOS	
9	Net section 1231 gain (loss)	16 Items affecting shareholder basis
	OOS	A Tax-exempt Interest
10	Other income (loss)	C Nondeductible expenses Adjust or State as needed
	OOS	Other codes
11	Section 179 deduction	
	OOS	
12	Other deductions	
	OOS	
17	Other information	
18	More than one activity for at-risk purposes*	
19	More than one activity for passive activity purposes*	

651121
OMB No. 1545-0123

Final K-1 Amended K-1

Schedule K-1 (Form 1065) **2022**
Department of the Treasury For calendar year 2022, or tax year
Internal Revenue Service

beginning / / 2022 ending / /

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

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items		
1	Ordinary business income (loss)	14 Self-employment earnings (loss)
	OOS	OOS
2	Net rental real estate income (loss)	
	OOS	
3	Other net rental income (loss)	15 Credits
	OOS	
4a	Guaranteed payments for services	
	OOS	
4b	Guaranteed payments for capital	16 Schedule K-3 is attached if checked <input type="checkbox"/>
	OOS	
4c	Total guaranteed payments	17 Alternative minimum tax (AMT) items
	OOS	
5	Interest income	
6a	Ordinary dividends	
6b	Qualified dividends	18 Tax-exempt income and nondeductible expenses
6c	Dividend equivalents	A Tax-exempt Interest
7	Royalties	C Nondeductible expenses Adjust or State as needed
		Other Codes OOS
8	Net short-term capital gain (loss)	
9a	Net long-term capital gain (loss)	19 Distributions
		N/A Disregard
9b	Collectibles (28%) gain (loss)	
	OOS	
9c	Unrecaptured section 1250 gain	20 Other information
	OOS	OOS
10	Net section 1231 gain (loss)	
	OOS	
11	Other income (loss)	
	OOS	
12	Section 179 deduction	21 Foreign taxes paid or accrued
	OOS	
13	Other deductions	
	OOS	
22	More than one activity for at-risk purposes*	
23	More than one activity for passive activity purposes*	

* See attached statement for additional information.

www.irs.gov/Form1120S Cat. No. 11520D Schedule K-1 (Form 1120-S) 2022

1 No need to enter in TaxSlayer

2 Box 21 does not appear in the TaxSlayer Form 1065 K-1 entry screen. Instead make the following entries:

1. Enter amounts from Line 21 in Deductions>Credits>Foreign>Taxes Paid.
2. Enter in state as needed.

Entering Rental and Royalty Income in TaxSlayer



Income > Supplemental Income and Loss > Schedule E Rent and Royalty Information; or Keyword "SC"

Volunteers must certify at Military level to prepare Schedule E for rental income. Rental income and expenses are in-scope only for military families renting their personal residences.

Check if personal use **1**

Percent of ownership *

100

Rental Payments Received (including rental income reported on Form 1099-K)

\$ **2**

Enter the number of days the property was rented at fair rental value

3

Enter the number of days the property was used for personal purposes
If the property has personal use days, you may need to manually limit certain deductions if the property has a net loss. See [IRS Publication 527](#) for more details.

1

Check here if you are a member of a Qualified Joint Venture

Check if you actively participated **4**

Check here if you are a real estate professional or sold or disposed of the property this year
5 (This will allow ALL losses).

CANCEL **CONTINUE**

1 Check the box if the taxpayer had any days of personal use while the property was available for rent. Enter the number of days here.

2 Enter the total rental payments received for the tax year.

3 Enter number of days rented at fair rental value. If the property is temporarily rented for less than 15 days during the tax year, the rental income is not taxable and the expenses are not deductible on a Schedule E.

4 Check here if the taxpayer actively participated. A rental loss will not appear on Form 1040, unless the taxpayer actively participated. In order to actively participate, the taxpayer must have substantial involvement in managing the rental property, such as making management decisions and arranging for repairs.

5 Use Schedule E to report rental income only when the taxpayer is not a real estate professional (determination of professional status is Out of Scope). Refer taxpayers who are real estate professionals to a professional tax preparer.

6 Select to edit the physical address, type of property, and to report the number of fair rental and personal use days.

7 If Form 4562 is required, the tax return is Out of Scope.

8 Select to enter rental expenses. See the next page.

9 Select to enter vehicle expenses.

Schedule E Rentals and Royalties

Currently Editing: oil

Rent and Royalty Basic Information 6	EDIT
Depreciation 7	BEGIN
Expenses 8	BEGIN
Car and Truck Expenses 9	BEGIN
Qualified Business Income Deduction	BEGIN

Entering Other Compensation in TaxSlayer



Income > Less Common Income > Other Compensation

Other Compensation	
Scholarships and Grants 1	BEGIN
Fringe Benefits	BEGIN
Household Employee Income 2	BEGIN
Prisoner Earned Income 3	BEGIN
Foreign Earned Compensation 4	BEGIN
Section 933 Excluded Income from Puerto Rico	BEGIN
CONTINUE	

1 Scholarships and grants used to pay for tuition, fees and course-related expenses are not taxable. Use this link to report only amounts that were used for nonqualifying expenses. The amount will appear on Form 1040, Schedule 1. Taxable scholarship is considered unearned income for most purposes but is considered earned income for determining filing requirement.

2 Enter wages received as a household employee for which the taxpayer did not receive a Form W-2 because the employer paid less than \$2,400 in 2022.

4 Enter foreign earned income (wages, salaries, etc.) paid by a foreign employer for work performed while the taxpayer lived in a foreign country.

3 Enter the amount received for work while an inmate in a penal institution. For purposes of the Earned Income Credit, this isn't considered earned income. This includes amounts received for work performed while in a work release program or while in a half-way house. Wages earned while incarcerated will appear on Form 1040, Schedule 1. This entry is made in addition to entering the Form W-2 from the penal institution.



If Rebate/Patronage Dividends issued by co-ops on Form 1099-PATR Box 1 are for personal use only, the amount is nontaxable and is not entered into TaxSlayer. Enter note on intake sheet and tax return noting it is for personal use only. No other box or use is in scope.



Publication 4731
Screening Sheet for Nonbusiness Credit Card
Debt Cancellation

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

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

Credit Card Debt

1. Did the taxpayer receive Form 1099-C, Cancellation of Debt, or other documentation (if less than \$600) from a creditor and is the information shown on the form or document correct?

- Yes** – Go to Step 2
- No** – Go to Step 6

Note: The creditor is not required to issue a Form 1099-C if the canceled debt is under \$600. However, the taxpayer may be required to report the canceled debt as income regardless of the amount.

2. Was the credit card debt related to a business?

- Yes** – Go to Step 6
- No** – Go to Step 3

3. Does box 6 of the Form 1099-C indicate Code A for bankruptcy?

- Yes** – Go to Step 6
- No** – Go to Step 4

Note: If box 6 is not marked with a Code A, but the taxpayer has subsequently filed bankruptcy, answer “yes.”

4. Was the taxpayer insolvent* immediately before the cancellation of debt?

- Yes** – Go to Step 6
- No** – Go to Step 5

Use the Insolvency Determination Worksheet in Publication 4012 and interview the taxpayer to determine if the taxpayer was insolvent immediately before the cancellation of debt.

5. The cancellation of nonbusiness indebtedness or cancellation of debt (the amount in box 2 of Form 1099-C or an amount less than \$600 provided in other documentation) must be reported as ordinary income on Form 1040, Schedule 1 (Other Income). No additional supporting forms or schedules are required for reporting income from canceled credit card debt.

6. This tax issue is outside the scope of the volunteer programs. The taxpayer may qualify to exclude all or some of the discharged debt. However, the rules involved are complex.

Refer the taxpayer to:

- www.irs.gov for the most up-to-date information.
- A professional tax preparer.
- The Taxpayer Advocate Service (TAS): 1-877-777-4778, TTY/TDD 1-800-829-4059. TAS may help if the problem cannot be resolved through normal IRS channels.
- Publication 4681, Canceled Debts, Foreclosures, Repossessions, and Abandonments (For Individuals)

*If the taxpayer is not in bankruptcy or unable to determine if they are insolvent the credit card debt forgiveness is presumed fully taxable.

Health Saving Accounts (HSA) (continued)



Don't rely on this document alone. Refer to HSA references to provide assistance.

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


- The Interview/Intake & Quality Review Sheet has the Yes or Unsure HSA box checked.
- The taxpayer's (or spouse's) Form W-2 will contain code W in box 12 for employer contributions.
- The taxpayer (or spouse) has a Form 1099-SA with an X in the box showing distributions from an HSA.
- The taxpayer (or spouse) may receive Form 5498-SA for their HSA contributions. If taxpayers don't have this form they can provide the information regarding HSA contributions based on their records.



Contributions to an employee's account through a Section 125 (cafeteria) plan are treated as employer contributions and aren't deductible.

2022 Contribution Limits

- Family Plan: \$7,300
- Self only Plan: \$3,650
- Add \$1,000 if the owner is age 55 or over at end of year

Form 8889 - Health Savings Account	
<p>CANCEL</p>	<p>CONTINUE</p>
<p>Form belongs to:</p>	
<p><input checked="" type="radio"/> Taxpayer 1</p> <p><input type="radio"/> Spouse</p>	<p>1 Add a second Form 8889 if taxpayer and spouse have separate HSAs.</p>
<p>Coverage under high deductible health plan. If you are no longer covered under a plan, please select your previous type of coverage *</p>	<p>2 Select the appropriate HDHP coverage for the taxpayer: Self-only or family. This determines the maximum HSA contribution limits.</p>
<p>-- Please Select -- 2</p>	<p> Use family coverage amount if taxpayer or spouse had an HDHP with family coverage.</p>
<p>HSA Contributions</p>	<p>The Check here if you and your spouse have separate HSAs box will appear when family coverage is selected. Check the box if BOTH spouses have a separate HSA.</p>
<p>HSA Contributions you made for 2020</p>	<p>3 Employee contributions are entered here. Contributions by relatives and friends are considered to be made by taxpayer. Don't include employer contributions on this line. The account holder needs to tell you how much was put in the HSA, because the Form 5498-SA may not have been received prior to preparing the return.</p>
<p>* INCLUDE contributions made from Jan 1 to Apr 15 of this year that were for 2020.</p>	
<p>* DO NOT INCLUDE employer contributions, contributions through a cafeteria plan, or amounts that were rolled over into your HSA(s).</p>	
<p>\$ <input type="text"/> 3</p>	
<p>Number of months during this tax year that you were an eligible individual</p>	<p>4 Enter number of months you had a Health Savings Account, a high deductible policy and no other major medical policy (including Medicare) and could not be claimed as dependent. Enter "12" if "12 month rule" applies (you were eligible on December 1st).</p>
<p>-- Please Select -- 4</p>	
<p>Amount you and your employer contributed to your Archer MSAs for 2020 from Form 8853, lines 3 and 4. If you and your spouse had family coverage under an HDHP at any time during the tax year, also include any amount contributed to your spouse's Archer MSA.</p>	
<p>\$ <input type="text"/> Out of scope</p>	
<p>Amount to Adjust Employer Contributions made to your HSA(s) for 2020</p>	
<p>We will automatically pull your employer contributions from your W-2. DO NOT enter amounts from your W-2.</p>	
<p>\$ <input type="text"/></p>	
<p>Qualified HSA Funding Distributions from IRA or ROTH IRA</p>	
<p>\$ <input type="text"/> Out of scope</p>	

Health Saving Accounts (HSA) (continued)

HSA Distributions

Total distributions received during 2020 from all HSAs.
(Usually shown in Box 1 of Form(s) 1099-SA)

\$ **1**

Distributions used for qualified medical expenses

* If you do not enter an amount here your entire distribution will be considered taxable.

\$ **2**

Distributions you received in 2020 that you rolled over into another HSA. Also include any excess contributions (and the earnings on those excess contributions) included above that were withdrawn by the due date of your return.

\$ **3**

Exceptions - The additional 20% tax does not apply to distributions made after the account beneficiary dies, becomes disabled, or turns age 65.

Check here if you meet any of the exceptions to the 20% tax. **4**

HSA Adjustments **5**

Limitation - Adjust amount of limitation from worksheet (entries here carry to Line 3 of 8889)

Note: This amount will adjust a calculated amount.

\$ **6**

Adjust your share of high-deductible health plan. If you and your spouse had separate HSAs AND had family coverage under an HDHP, see [Page 4 of the Instructions](#) for the amount to enter.

Note: This amount will adjust a calculated amount.

\$ **7**

If you were age 55 or older at the end of the tax year, married, AND you or your spouse had family coverage under an HDHP at any time during the year, enter your Additional Contribution Amount. (entries here carry to Line 7 of 8889)

Note: This amount will adjust a calculated amount.

\$ **8**

7 If both taxpayer and spouse had an HSA and taxpayers wish to split the limitation amount, enter the limitation amount for this account.

8 An entry is not needed in the age 55 or older box. This is a calculated amount.

1 Enter HSA distributions here. Ask the taxpayer for Form 1099-SA, with the HSA box checked. If not an HSA distribution, refer the taxpayer to a professional tax preparer.

2 Enter amount spent on qualifying expenses not reimbursed by insurance. See list below.

3 If Form 8889 Line 2 exceeds Line 13, there are excess contributions.



If the excess contributions and earnings are not withdrawn by the due date of the return, including extensions, then the return is out of scope.

4 If the taxpayer meets one of exceptions to the 20% additional tax, check this box. The exceptions are that the account beneficiary dies, becomes disabled, or turns age 65.

5 If no adjustments to calculated amounts are needed, stop here.

6 If both taxpayer and spouse had an HSA for the whole year, enter \$7,300 in 1st adjustment box. If account owner had changes in coverage or eligibility during the year, use the worksheet in the Instructions for Form 8889 to calculate the adjustment.

Standard Deduction

This chart provides the standard deduction amounts for tax year 2022.

Standard Deduction Chart for Most People*

If the taxpayer's filing status is...	Your standard deduction is ...
Single or married filing separate return	\$12,950
Married filing joint return or qualifying surviving spouse with dependent child	\$25,900
Head of household	\$19,400

*Don't use this chart if the taxpayer was born before January 2, 1958, or is blind, or if someone can claim the taxpayer as a dependent (or their spouse if married filing jointly). (See the chart on the following page.)

Persons Not Eligible for the Standard Deduction

Your standard deduction is zero and you should itemize any deductions you have if:

- Your filing status is married filing separately, and your spouse itemizes deductions on his or her return. It doesn't matter who files first.
- You are filing a tax return for a short tax year because of a change in your annual accounting period (Out of Scope)
- You are a nonresident or dual-status alien during the year. You are considered a dual-status alien if you were both a nonresident and resident alien during the year (Out of Scope).
- If you are a nonresident alien who is married to a U.S. citizen or resident alien at the end of the year, you can choose to be treated as a U.S. resident. (See Publication 519, U.S. Tax Guide for Aliens.) If you make this choice, you can take the standard deduction.



If you can be claimed as a dependent on another taxpayer's return (such as your parents' return), your standard deduction may be limited.

Standard Deduction (continued)

Standard Deduction Chart for People Born Before January 2, 1958 or Who are Blind

Don't use this chart if someone can claim you (or your spouse if filing jointly) as a dependent. Use the second worksheet below.

Standard Deduction Chart for People Who Were Born Before January 2, 1958, or Were Blind		
<p>Don't use this chart if someone can claim you, or your spouse if filing jointly, as a dependent. Instead, use the worksheet above.</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <input type="checkbox"/> You were born before January 2, 1958 <input type="checkbox"/> You are blind <input type="checkbox"/> Spouse was born before January 2, 1958 <input type="checkbox"/> Spouse is blind </div> <div style="width: 35%; border: 1px solid gray; padding: 5px;"> Blind is defined in Tab R, Glossary and Index </div> </div>		
Enter the total number of boxes checked ▶ <input style="width: 40px; height: 20px; border: 1px solid gray;" type="text"/>		
IF your filing status is . . .	AND the number in the box above is . . .	THEN your standard deduction is . . .
Single	1	\$14,700
	2	16,450
Married filing jointly	1	\$27,300
	2	28,700
	3	30,100
	4	31,500
Qualifying widow(er)	1	\$27,300
	2	28,700
Married filing separately	1	\$14,350
	2	15,750
	3	17,150
	4	18,550
Head of household	1	\$21,150
	2	22,900

Standard Deduction Worksheet for Dependents

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

<p>1. Check if: <input type="checkbox"/> You were born before January 2, 1958 <input type="checkbox"/> You are blind <input type="checkbox"/> Spouse was born before January 2, 1958 <input type="checkbox"/> Spouse is blind</p>	}	Total number of boxes checked	1.	
<p>2. Is your earned income* more than \$750? <input type="checkbox"/> Yes. Add \$400 to your earned income, Enter the total <input type="checkbox"/> No. Enter \$1,150</p>	}	2.	
<p>3. Enter the amount shown below for your filing status. • Single or married filing separately**— \$12,950 • Married filing jointly— \$25,900 • Head of household— \$19,400</p>	}	3.	
<p>4. Standard deduction. a. Enter the smaller of line 2 or line 3. If born after January 1, 1958, and not blind, stop here and enter this amount on Form 1040 or Form 1040-SR, line 12. Otherwise go to line 4b.</p>			4a.	
<p>b. If born before January 2, 1958, or blind, multiply the number on line 1 by \$1,400 (\$1,750 if single or head of household)</p>			4b.	
<p>c. Add lines 4a and 4b. Enter the total here and on Form 1040 or 1040-SR, line 12.</p>			4c.	
<p><small>* Earned income includes wages, salaries, tips, professional fees, and other compensation received for personal services you performed. It also includes any taxable scholarship or fellowship grant. Generally, your earned income is the total of the amount(s) you reported on Form 1040, line 1z, and Sch 1 - line 3 business income or (loss); line 6 farm income or (loss); minus the amount, if any, on Schedule 1, line 15.</small></p> <p><small>** Married Filing Separately – You can check the boxes for “Your spouse” if your filing status is married filing separately and your spouse had no income, isn't filing a return, and can't be claimed as a dependent on another person's return.</small></p>				

Schedule A - Itemized Deductions (continued)

Gifts to Charity

Cash Gifts to Charity	BEGIN
Non-Cash Gifts to Charity	BEGIN
Non-Cash Donations (more than \$500)	BEGIN
Limitation on Charitable Contributions Deduction	BEGIN
Declaration of Appraiser	BEGIN
Donee Acknowledgement	BEGIN

CONTINUE



Enter amounts given by cash or check under Cash Gifts to Charity. See Publication 526 for definitions. Enter the value of noncash items (including miles (14 cents per mile) driven in service to a charity) donated under Noncash Gifts to Charity. Be careful to list them separately. If noncash contributions are greater than \$500, Form 8283, Noncash Charitable Contributions must be completed and this form is Out of Scope (In Scope for Military certification).

Charity Cash Contributions

To group all cash contributions as one single entry, select the "Override" button below.

OVERVERRIDE

Charity Name *

Description

Date of Donation *

MM DD YYYY

Amount Donated *

\$

CANCEL CONTINUE



Although you can't deduct the value of your services given to a qualified organization, you may be able to deduct some volunteer expenses you pay in giving services to a qualified organization. The amounts must be:

- Unreimbursed;
- Directly connected with the services;
- Expenses you had only because of the services you gave; and
- Not personal, living, or family expenses.

These types of donations are not deductible: political; country club/fraternal lodge; chambers of commerce; raffle, bingo, or lottery tickets; tuition; value of time/services; gifts to lobby groups; civic leagues, social clubs; labor unions, homeowners association dues.

Schedule A - Miscellaneous Deductions



No miscellaneous itemized deductions will be allowed for job expenses and certain miscellaneous deductions subject to the 2% limitation. These expenses may be deductible on state returns.

Schedule A - Miscellaneous Deductions

CANCEL

Amortizable premium on taxable bonds

\$

Federal estate tax on income in respect to a decedent

\$

Gambling losses to the extent of gambling winnings (Do not re-enter losses entered in the W-2G income menu)

\$

1

Impairment-related work expenses

\$

Repayment under claim of right (if greater than \$3000)

If your repayment was less than \$3000, click Add/Edit below and enter it as an additional Miscellaneous Deduction.

\$

Unrecovered investment in pension

\$

2

1 Gambling losses and expenses incurred in gambling activities up to the amount of winnings are deducted here. You can't deduct gambling losses that are more than the taxpayer's winnings.

2 A retired taxpayer who contributed to the cost of an annuity can exclude from income a part of each payment received as a tax-free return of the investment. If the retired taxpayer dies before the entire investment is recovered tax free, any unrecovered investment can be deducted on the retired taxpayer's final income tax return in the unrecovered investment pension box.



Unrecovered Investment in pension = Total Employee Contribution less amount recovered using Simplified Method prior to death.



Nondeductible expenses: commuting; home repair; rent; loss from sale of home; personal legal expenses; lost/misplaced cash or property; fines/penalties; safe deposit box rental; tax return preparation; investment fees and expenses.

Nonrefundable Credits



Federal Section>Deductions>Credits Menu

Credits		
Foreign Tax Credit Form 1116		1 <input type="button" value="BEGIN"/>
Child Care Credit Form 2441		2 <input type="button" value="BEGIN"/>
Education Credits Form 1098-T		3 <input type="button" value="BEGIN"/>
Retirement Savings Credit Form 8880		4 <input type="button" value="BEGIN"/>
Residential Energy Credit Form 5695		5 <input type="button" value="BEGIN"/>
Adoption Credit Form 8839	<input type="text" value="OOS"/>	<input type="button" value="BEGIN"/>
DC First-Time Homebuyer Credit Form 8859	<input type="text" value="OOS"/>	<input type="button" value="BEGIN"/>
Mortgage Interest Credit Form 8396	<input type="text" value="OOS"/>	<input type="button" value="BEGIN"/>
Claiming Refundable Credits after Disallowance Form 8862		<input type="button" value="BEGIN"/>
EIC Check-list		6 <input type="button" value="BEGIN"/>
Credit for the Elderly or Disabled Schedule R		7 <input type="button" value="BEGIN"/>
Alternative Motor Vehicle Credit (Hybrid Cars) Form 8910	<input type="text" value="OOS"/>	<input type="button" value="BEGIN"/>
Qualified Electric Motor Vehicle Credit Form 8936	<input type="text" value="OOS"/>	<input type="button" value="BEGIN"/>
Small Employer Health Insurance Premiums Form 8941	<input type="text" value="OOS"/>	<input type="button" value="BEGIN"/>
Credit for Federal Tax Paid on Fuels Form 4136	<input type="text" value="OOS"/>	<input type="button" value="BEGIN"/>
Credit for Increasing Research Activities from Pass-through Entities Form 6765	<input type="text" value="OOS"/>	<input type="button" value="BEGIN"/>
Investment Credit Form 3468	<input type="text" value="OOS"/>	<input type="button" value="BEGIN"/>

- 1** Select for Form 1116, Foreign Tax Credit
- 2** Select for Form 2441, Child and Dependent Care Expenses. See Child and Dependent Care Credit Expenses/Screening Sheet later in this tab.
- 3** Select for Form 8863 Education Credits. See Tab J, Education Benefits
- 4** Select for Form 8880, Credit for Qualified Retirement Savings Contributions. Complete this screen if taxpayer (or spouse) made any contributions to a qualified retirement plan.
- 5** Select for Form 5695, Residential Energy Credit. See Tab EXT, Legislative Extenders for more information.
- 6** EIC checklist is not required for VITA/TCE.
- 7** If taxpayer qualifies for the credit for the elderly or the disabled, open Schedule R. Refer to the Credit for the Elderly or the Disabled - Screening Sheet later in this tab.



Nonrefundable credits can't exceed the taxpayer's federal income tax.

Form 8863



Federal Section>Deductions>Credits Menu>Education Credits; or Keyword "8863". For complete education credit information refer to Tab J, Education Benefits

Child Tax Credit



Make sure the taxpayer's credit hasn't been disallowed previously. If previously disallowed, see Form 8862, Information To Claim Certain Credits After Disallowance, in Tab I, Earned Income Credit.

This is a credit intended to reduce tax. This part of the credit isn't refundable. The credit is up to \$2,000 per qualifying child and calculates automatically.

Qualifying child:

1. Under age 17 at the end of the tax year.
2. A U.S. citizen or U.S. national* or resident alien of the United States. See Tab L, Resident/NR Alien.
3. Child must be claimed as your dependent.**
4. Your:
 - a. son or daughter, adopted child, stepchild, eligible foster child, or a descendant of any of them
 - b. brother, sister, half brother, half sister, stepbrother, stepsister, or a descendant of any of them (for example, your niece or nephew)
5. Didn't provide over half of his or her own support.
6. Lived with the taxpayer for more than half of the tax year. (See exceptions to time lived with taxpayer in the Overview of the Rules for Claiming a Dependent chart)
7. Must have a Social Security number that is valid for employment issued before the due date of the return, including extensions.

* A national is an individual who, although not a U.S. citizen, owes his or her allegiance to the United States. U.S. nationals include American Samoans and Northern Mariana Islanders who chose to become U.S. nationals instead of U.S. citizens.

**Refer to the tables in Tab C, Dependents, for the rules governing who may be claimed as a dependent.



If the taxpayer is able to claim the dependent under the rules for divorced and separated parents, he or she is the only parent entitled to claim the child tax credit or additional child tax credit.

Schedule 8812 (Form 1040), Credits for Qualifying Children and Other Dependents, is intended to be filed by all taxpayers claiming the child tax credit, the additional child tax credit, or the credit for other dependents. See Tab C, Dependents, for additional information (including definitions and special rules relating to an adopted child, foster child, or qualifying child of more than one person).

Premium Tax Credit: Form 1095-A Overview (continued)

Examine these areas:

- Recipient information (Part I)
- Policy start or end date (Part I, Part II)
- Covered individuals (Part II) - Are all listed individuals included in this tax return?
- Premium cost (Part III, Column A)
- APTC (Part III, Column C)

Marketplace call center:

1-800-318-2596 (TTY: 1-855-889-4325)

For states not using Healthcare.gov, look up state Marketplace at healthcare.gov

To obtain an original or corrected Form 1095-A the taxpayer can log into his or her online account, or call the Marketplace call center.

Month	A. Monthly enrollment premium	B. Monthly second lowest cost silver plan (SLCSP) premium	C. Monthly advance payment of premium tax credit
21 January			
22 February	Column A	Column B	Column C
23 March			
24 April			
25 May			
26 June			

Column A - Monthly Premium: These are the monthly enrollment premiums for the policy in which the individuals are covered. This is the full premium, including the amount paid by APTC for essential health benefits. The amount does not include the cost of certain “extra” benefits such as adult dental coverage. It may not match the taxpayer’s actual monthly premium.

Column B - Monthly SLCSP premium: If this column is blank and the individual is enrolled in a plan through a federally facilitated Marketplace, go to Healthcare.gov and use the tax tool to find the SLCSP premium to enter in Column B. If the individuals enrolled through a state-based Marketplace, go to the state’s website or call your state’s marketplace to determine the SLCSP premium. The SLCSP premium is the premium for the second lowest cost silver-level plan that covers all the members of the coverage family.

Column C - Advance payment of PTC

You may need to look up the SLCSP premium if:

- It is incorrect, perhaps because a change in family size was not reported.
- It is missing. When someone paid the full premium because he or she did not request APTC, Marketplaces routinely leave this space blank.
- There are multiple Forms 1095-A with conflicting information or the taxpayer otherwise thinks it’s incorrect.

The taxpayer should seek a corrected Form 1095-A if information is incorrect, except for SLCSP premium information that can be completed or fixed.



A person may be entitled to PTC even if no APTC was paid for the coverage. Do not assume someone is ineligible for PTC just because Columns B and C of Form 1095-A are blank. If an individual meets all the eligibility rules in the Form 8962 instructions but only the enrollment premium amounts in Column A appear on Form 1095-A and Columns B and C are blank, look up the person’s SLCSP premiums and enter them on the 1095-A screen in the SLCSP section.

Premium Tax Credit (continued)

For taxpayers who purchased insurance through the Marketplace, complete this screen using their Form 1095-A.

Advanced Premium Tax Credit (1095-A)

Are you required to repay all of the APTC received? In most cases, the answer is **NO**. ONLY answer **YES** if you were not considered lawfully present in the U.S. or you meet the Health Coverage Tax Credit criteria. Note: We will automatically calculate a full repayment of APTC when MAGI is greater than 400 percent of Federal Poverty Line.

Yes **1**
 No

Is your household income below 100% of the Federal poverty line, and do you meet all of the requirements under either "Estimated household income at least 100% of the Federal poverty line" or "Alien lawfully present in the United States"?

Yes **2**
 No

Do all Forms 1095-A include coverage for January through December, with no changes in monthly amounts?

Yes **3**
 No

BACK

CONTINUE

3 If Form 1095-A shows the same monthly amounts for all 12 months, select **Yes** and enter the annual amounts below. Otherwise, select **No** and enter monthly amounts. If one or more of the amounts in column B is incorrect and the correct SLCSPP premium amounts are not the same for all 12 months, select **No**.

If the taxpayer is Married Filing Separately a checkbox will appear on this screen. If the taxpayer cannot file a joint return because of **domestic abuse or spousal abandonment** check the box. See Instructions for Form 8962, Premium Tax Credit for details. If a taxpayer is Married Filing Separately and is not eligible for relief, he/she is not eligible for a premium tax credit and must repay APTC, subject to the repayment limitation.

1 This question appears for all taxpayers with APTC. This question is really asking whether the taxpayer is liable for unlimited APTC repayment. **Answer NO in most cases.** Only answer **YES** if all individuals on the tax return for whom APTC was paid:

- Are undocumented immigrants; or
- Were eligible for the Trade Adjustment Health Care Tax Credit (HCTC), if extended (Out of Scope)

2 Answer **YES** in most cases in which household income is below 100% of the FPL. Answer **YES** if:

- There is an amount in column C of Form 1095-A (APTC) for one or more months; or
- One of the individuals on the taxpayer's Form 1095-A is lawfully present but ineligible for Medicaid

The TaxSlayer default answer is NO for this question. It is very important to change to Yes if income is below 100% of the Federal Poverty Line (FPL) and one of the two "yes" conditions is met. If it is not changed to Yes, the software will complete Form 8962 showing repayment of all the APTC without limitation.

Answer NO ONLY if: Income is below 100% (FPL), no APTC was paid, and the second bullet from above does not apply.

Premium Tax Credit (continued)

Out of Scope Situations

Allocation of Policy Amounts (Shared Policy)

If the following situations apply, the taxpayer may have to allocate policy amounts with another taxpayer. If so, the return is Out of Scope:

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

Alternative Calculation for Year of Marriage

If the following situation applies, an **Alternative Calculation for Year of Marriage** may be elected. If the taxpayer elects this option, the return is Out of Scope.

- Taxpayers got married during 2022, are filing a joint return for 2022, and both spouses were unmarried as of January 1, 2022, and
- A member of the taxpayers' tax family was enrolled in a qualified health plan for which APTC was paid for months prior to the first full month of marriage, and
- Taxpayers have excess APTC (their APTC exceeds their allowed PTC).



Taxpayers may choose to file MFJ or MFS without the alternative calculation, which remains in scope.

Self-employed Taxpayers

Self employed taxpayers can deduct their health insurance premiums as an adjustment to gross income. When a taxpayer is eligible for PTC, the computation of each is a circular calculation and the return is Out of Scope for VITA/TCE.

See Publication 974, Premium Tax Credit (PTC), for more details about these out of scope topics.

Premium Tax Credit, Form 8962

1 If a taxpayer is MFS and is eligible for relief from the requirement to file MFJ because of spousal abuse or abandonment, this box should be checked. If MFS but not eligible for relief, he/she is not eligible for a PTC and must repay APTC, subject to the repayment limitation. Refer taxpayer to Part IV, Allocation Situation 2, of the Form 8962 instructions to determine the amount of APTC the taxpayer must repay (Out of Scope)..

2 The dependents' MAGI should appear on line 2b **ONLY IF the dependents' gross income is above the filing threshold.** See Tab A, Who Must File, Chart B - For Children and Other Dependents.

3 The net premium tax credit a taxpayer can claim (the excess of the taxpayer's premium tax credit over APTC) will appear on Form 1040, Schedule 3. This amount will increase taxpayer's refund or reduce the balance due.

4 The amount of excess APTC (amount by which APTC exceeds the taxpayer's premium tax credit) that needs to be repaid will appear on Form 1040, Schedule 2 line 2.

Premium Tax Credit (PTC)

▶ Attach to Form 1040, 1040-SR, or 1040-NR.
▶ Go to www.irs.gov/Form8962 for instructions and the latest information.

OMB No. 1545-0074
20XX
Attachment Sequence No. **73**

Your social security number

Use (if filing a joint return), received, or were approved to receive, unemployment compensation for any week beginning during 2021, as provided in the instructions **1**

PTC if your filing status is married filing separately unless you qualify for an exception. See instructions. If you qualify, check the box

Annual and Monthly Contribution Amount

Enter your tax family size. See instructions		1	
Enter your modified AGI. See instructions	2 2a		
Enter your dependents' modified AGI. See instructions	2b		
Add the amounts on lines 2a and 2b. See instructions		3	
Enter the federal poverty line amount from Table 1-1, 1-2, or 1-3. See instructions. Check the box for the federal poverty table used. a <input type="checkbox"/> Alaska b <input type="checkbox"/> Hawaii c <input type="checkbox"/> Other 48 states and DC		4	
Enter the amount as a percentage of federal poverty line (see instructions)		5	%
Use the percentage from line 5 to determine the applicable figure. See instructions		7	
Enter the amount. Multiply line 3 by the percentage from line 7. Round to nearest whole dollar amount	8a		
Enter the amount. Multiply line 3 by the percentage from line 5. Round to nearest whole dollar amount	8b		

Tax Credit Claim and Reconciliation of Advance Payment of PTC



See the Applicable Figure Table later in this tab.

Reminder - Household income is MAGI of taxpayer (and spouse if filing jointly) plus MAGI of dependents claimed by the taxpayer who are required to file a return because the dependent's gross income is above the tax return filing threshold. MAGI is:

- Adjusted Gross Income (AGI), plus
- Tax-exempt interest, plus
- Social Security income not included in AGI, plus
- Foreign earned income

24	Total premium tax credit. Enter the amount from line 11(e) or add lines 12(e) through 23(e) and enter the total here	24	
25	Advance payment of PTC. Enter the amount from line 11(f) or add lines 12(f) through 23(f) and enter the total here	25	
26	Net premium tax credit. If line 24 is greater than line 25, subtract line 25 from line 24. Enter the difference here and on Schedule 3 (Form 1040 or 1040-SR), line 9, or Form 1040-NR, line 65. If line 24 equals line 25, enter -0- here. If line 25 is greater than line 24, leave this line blank and continue to line 27	3 26	
Part III Repayment of Excess Advance Payment of the Premium Tax Credit			
27	Excess advance payment of PTC. If line 25 is greater than line 24, subtract line 24 from line 25. Enter the difference here	27	
28	Repayment limitation (see instructions)	28	
29	Excess advance premium tax credit repayment. Enter the smaller of line 27 or line 28 here and on Schedule 3 (Form 1040 or 1040-SR), line 2, or Form 1040-NR, line 44	4 29	

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 37784Z Form **8962** (20XX)



If a taxpayer must repay APTC or gets additional PTC, remember to adjust the insurance premium deduction on Schedule A if itemizing. Increase the deduction for APTC repayment; decrease the deduction for additional PTC.

Premium Tax Credit – Special Situations (continued)

- PTC can be claimed for an individual who was eligible for, but not enrolled in, employer-sponsored coverage only if:
 - a. The employer coverage was unaffordable, or
 - b. The taxpayer advised the Marketplace of the employer offer and the Marketplace determined the coverage was unaffordable for the employee (see Exception below), or
 - c. The coverage did not provide a minimum level of benefits, referred to as “minimum value.” A taxpayer can check with the employer if he or she suspects coverage did not meet minimum standards.
- **Exception:** A person who is eligible for employer-sponsored coverage and gave the Marketplace accurate information about the offer of coverage but was still determined eligible for APTC can claim PTC for his or her Marketplace coverage, if otherwise eligible, even if the employer coverage is affordable based on the taxpayer’s actual household income.
- See Publication 974 for more information and special rules on employer-sponsored coverage, including coverage waiting periods, health reimbursement arrangements, and coverage after employment ends.

Medicaid/CHIP:

- If the Marketplace determined the taxpayer was eligible for APTC and therefore ineligible for Medicaid or CHIP, and APTC was paid for the taxpayer, the taxpayer will generally remain ineligible for Medicaid or CHIP for the plan year, even if actual household income suggests the person may have been eligible for Medicaid or CHIP. If this is the case, answer Yes to the question in TaxSlayer which asks “Is your household income below 100% of the Federal poverty line, and do you meet all of the requirements under either “Estimated household income at least 100% of the Federal poverty line” or “Alien lawfully present in the United States”?”
- If an individual for whom APTC is being paid is determined to be eligible for government-sponsored coverage retroactively, the individual is not considered eligible for that coverage until the month after the eligibility determination is made. (For example, a person who enrolled at the beginning of the year in Marketplace coverage with APTC, but in July is determined eligible for Medicaid retroactive to April 1, can, if otherwise eligible, claim PTC for January through July, despite concurrent enrollment in Medicaid in April through July.)

Medicare:

- A person eligible for Medicare loses eligibility for PTC for the person’s Marketplace coverage even if he or she fails to enroll in Medicare. The loss of eligibility occurs the first day of the fourth full month after the person became eligible for Medicare. For example, a person who is enrolled in Marketplace coverage with APTC, but becomes Medicare-eligible on his 65th birthday on May 17, loses eligibility for PTC on September 1, the first day of the fourth full month after Medicare eligibility.

Premium Tax Credit – Special Situations (continued)

Handling Unexpected APTC Repayments

You may encounter a taxpayer with an unexpected repayment of APTC on Form 8962, Line 29, that he or she must repay. An unexpected repayment may occur when the taxpayer receives unanticipated income, such as retroactive disability, lump-sum social security benefits, a work bonus or gambling winnings.

Form 8962: Part III		
Part III Repayment of Excess Advance Payment of the Premium Tax Credit		
27	Excess advance payment of PTC. If line 25 is greater than line 24, subtract line 24 from line 25. Enter the difference here	27
28	Repayment limitation (see instructions)	28
29	Excess advance premium tax credit repayment. Enter the smaller of line 27 or line 28 here and on Form 1040, line 46; Form 1040A, line 29; or Form 1040NR, line 44	29

Review the Health Care section in the software:

- Make sure Form 1095-A is correct and complete (see Premium Tax Credit: Form 1095-A Overview, earlier in this tab).
- Ask the taxpayer to contact the Marketplace if the form doesn't reflect premiums that were paid or if there are other errors.
- If the taxpayer received Form 1095-A, make sure the question "Is your household income below 100%..." is answered correctly in the Health Insurance section of the software (see the Premium Tax Credit entry screens, earlier in this tab).
- Check the Health Insurance section of the software to see if the question "Are you required to repay all of the APTC received?" is answered correctly (see the Premium Tax Credit entry screens, earlier in this tab).
- If the taxpayer or spouse lived in Hawaii or Alaska at any point during the year, ensure that state is selected as the resident state in the Basic Information section.

Consider income adjustments to reduce household income:

- If the taxpayer is eligible to claim an IRA deduction, remember that taxpayers can contribute to an IRA until the tax filing deadline.
- If the taxpayer or spouse has an HSA and has not contributed the maximum for the tax year, he or she may contribute to their HSA until the tax filing deadline.
- If the taxpayer or spouse is self-employed, ensure all business expenses have been claimed. The taxpayer may be able to claim the self-employed health insurance deduction which reduces household income, in which case the return is Out of Scope.
- If the taxpayer or spouse is eligible and wishes to claim HCTC, if extended or establish a SEP-IRA, refer him/her to a professional return preparer.

Earned Income Table

Earned Income for EIC

Includes	Doesn't include
<ul style="list-style-type: none"> • Taxable wages, salaries, and tips • Union strike benefits • Taxable long-term disability benefits received prior to minimum retirement age • Net earnings from self-employment • Gross income of a statutory employee • Household employee income • Nontaxable combat pay election • Nonemployee compensation • The rental value of a home or a housing allowance provided to a minister as part of the minister's pay (Out of Scope) 	<ul style="list-style-type: none"> • Interest and dividends • Social Security and railroad retirement benefits • Welfare benefits • Workfare payments • Pensions and annuities (except if disability pension and taxpayer is under minimum retirement age) • Veteran's benefits (including VA rehabilitation payments) • Workers' compensation benefits • Alimony • Child support • Nontaxable foster-care payments • Unemployment compensation • Taxable scholarship or fellowship grants that aren't reported on Form W-2 • Earnings for work performed while an inmate at a penal institution or on work release¹ • Salary deferrals (for example, under a 401(k) or 403(b) plan or the Federal Thrift Savings Plan) • The value of meals or lodging provided by an employer for the convenience of the employer • Disability Insurance payments • Excludable dependent care benefits (line 25 of Form 2441) • Salary reductions such as under a cafeteria plan • Excludable employer-provided educational assistance benefits (may be shown in box 14 of Form W-2)

¹ This particular income is entered as other income on the return and not counted as earned income.

Common EIC Filing Errors

- Claiming a child who doesn't meet the residency and relationship requirements
- Married taxpayers incorrectly filing as a single or head of household
- Incorrectly reporting income, particularly income and expenses from self-employment
- Incorrect Social Security numbers

Summary of EIC Eligibility Requirements

Part A Rules for Everyone	Part B Rules If You Have a Qualifying Child	Part C Rules If You Don't Have a Qualifying Child	Part D Earned Income and AGI Limitations
Taxpayers & qualifying children must all have SSN that is valid for employment by the due date of the return (including extensions). ¹	Child must meet the relationship, age, residency test and joint return tests but not the support test. The child doesn't have to be your dependent. ²	Must be at least age 25 but under age 65 as of December 31. ³	You must have earned income to qualify for this credit. Your earned income and AGI must be less than: <ul style="list-style-type: none"> • \$53,057 (\$59,187 for married filing jointly) if you have three or more qualifying children, • \$49,399 (\$55,529 for married filing jointly) if you have two qualifying children, • \$43,492 (\$49,622 for married filing jointly) if you have one qualifying child, or • \$16,480 (\$22,610 for married filing jointly) if you don't have a qualifying child.
You must meet certain requirements if you are separated from your spouse and not filing a joint return. ⁴	Qualifying child can't be used by more than one person to claim the EIC.	Can't be the dependent of another person.	
Must be a U.S. citizen or resident alien all year.	The taxpayer can't be a qualifying child of another person.	Must have lived in the United States more than half the year.	
Can't file Form 2555 (relating to foreign earned income).		Can't be a qualifying child of another person.	
Investment income must be \$10,300 or less.			
Can't be a qualifying child of another person.			



Taxpayers cannot file an amended return to claim the credit for a year they did not originally have a valid Social Security number.

¹ If the taxpayer's Social Security card says "VALID FOR WORK ONLY WITH INS OR DHS AUTHORIZATION," the taxpayer can use the Social Security number to claim EIC if they otherwise qualify.

If taxpayer (or spouse, if filing a joint return) or dependent has an individual taxpayer identification number (ITIN), they can't get the EIC. ITINs are issued by the IRS to noncitizens who can't get an SSN. Singles and couples who have Social Security numbers can claim the credit, even if their children don't have SSNs. In this instance, they would get the smaller credit available to childless workers. In the past, these filers didn't qualify for the credit.

If the taxpayer's Social Security card has a "NOT VALID FOR EMPLOYMENT" imprint, and if the card-holder obtained the SSN to get a federally funded benefit, such as Medicaid, they can't get the EIC.

² To meet the joint return test, the child cannot file a joint return for the year unless it's only to claim a refund of income tax withheld or estimated tax paid.

³ Taxpayers turning 25 on January 1st are considered to be 25 as of December 31st. Taxpayers reaching the age 65 on January 1st are still considered to be 64 as of December 31st.

⁴ Married taxpayers who don't file a joint return can claim the EIC only if they had a qualifying child living with them for more than 1/2 the year and either lived apart from their spouse for the last 6 months of the year or are legally separated according to state law under legal separation agreement or a decree of separate maintenance and didn't live in the same household as the spouse at the end of the year. If the separated spouse has a qualifying child but no qualifying child has a valid SSN, the separated spouse can still meet this special rule and claim self-only EITC.

EIC General Eligibility Rules

Step	Probe/Ask the taxpayer	Action
1	Calculate the taxpayer's earned income and adjusted gross income (AGI) for the tax year. Are both less than: <ul style="list-style-type: none"> • \$53,057 (\$59,187 married filing jointly) with three or more qualifying children; • \$49,399 (\$55,529 married filing jointly) with two qualifying children; • \$43,492 (\$49,622 married filing jointly) with one qualifying child; or • \$16,480 (\$22,610 married filing jointly) with no qualifying children? 	If YES , go to Step 2. If NO , STOP. You can't claim the EIC.
2	Do you (and your spouse, if filing jointly) have a Social Security number (SSN) that allows you to work? ¹ Answer "NO" if the taxpayer's Social Security card has a "NOT VALID FOR EMPLOYMENT" imprint, and if the cardholder obtained the SSN to get a federally funded benefit, such as Medicaid.	If YES , go to Step 3. If NO , STOP. You can't claim the EIC.
3	Were you not married at the end of 2022 or are you filing a joint return with your spouse?	If YES , go to Step 4. If NO , you can't claim the EIC unless you meet the special rule for separated spouses. See Footnote 4 on page I-2.
4	Are you a nonresident alien? Answer "NO" if the taxpayer is married filing jointly, and one spouse is a citizen or resident alien and the other is a nonresident alien.	If YES and you are either unmarried or married but not filing a joint return, STOP. You can't claim the EIC. If NO , go to Step 5.
5	Are you (or your spouse, if filing jointly) filing Form 2555 (Foreign Earned Income) to exclude income earned in a foreign country?	If YES , STOP. You can't claim the EIC. If NO , go to Step 6.
6	Is your investment income (interest, tax exempt interest, dividends, capital gains distributions & capital gains) more than \$10,300?	If YES , STOP. You can't claim the EIC. If NO , go to Step 7.
7	Are you (or your spouse, if filing jointly) the qualifying child of another taxpayer?	If YES , STOP. You can't claim the EIC. If NO , go to the interview tips for EIC—With a Qualifying Child or EIC—Without a Qualifying Child.

¹ If the taxpayer's Social Security card says **VALID FOR WORK ONLY WITH INS OR DHS AUTHORIZATION**, the taxpayer can use the Social Security number to claim EIC if they otherwise qualify.



Separated spouses who are eligible to claim the EIC must check the checkbox on Schedule EIC and list a qualifying child to show they meet the special rule for claiming the credit.



*If the taxpayer is filing MFS and meets the requirements to claim EIC, go to **Basic Information**>**Personal Information**>**Filing Married Filing Separate** and meets the requirements to claim the EIC.*

EIC With a Qualifying Child

Step	Probe/Ask the taxpayer	Action
1	Does your qualifying child have an SSN that allows him or her to work? Answer NO if the child's Social Security card says "NOT VALID FOR EMPLOYMENT" and his or her SSN was only obtained to get a federally funded benefit.	If YES , go to Step 2. If NO , STOP. You can't claim the EIC on the basis of this qualifying child, however, you may qualify to claim the childless EIC if you meet the requirements.
2	Is the child your son, daughter, stepchild, adopted child, or eligible foster child, brother, sister, half brother, half sister, stepbrother, stepsister, or a descendant of any of them?	If YES , go to Step 3. If NO , STOP. This child isn't your qualifying child. Go to interview tips for EIC Without a Qualifying Child.
3	<ul style="list-style-type: none"> • Was the child any of the following at the end of the tax year? • Under age 19 and younger than the taxpayer (or spouse, if filing jointly) • Under age 24 and a full-time student and younger than the taxpayer (or spouse, if filing jointly), or • Any age and permanently and totally disabled 	If YES , go to Step 4. If NO , STOP. This child isn't your qualifying child. Go to interview tips for EIC Without a Qualifying Child.
4	Did the child file a joint return for the year? ¹ Answer NO if the child and his or her spouse filed a joint return only to claim a refund of income tax withheld or estimated tax paid.	If NO , go to Step 5. If YES , STOP. This child isn't your qualifying child (failed the joint return test). Go to interview tips for EIC Without a Qualifying Child.
5	Did the child live with you in the United States for more than half (183 days for 2022) of the tax year? ² Active duty military personnel stationed outside the United States are considered to live in the United States for this purpose.	If YES , go to Step 6. If NO , STOP. This child isn't your qualifying child. Go to interview tips for EIC Without a Qualifying Child.
6	Is the child a qualifying child of another person? There may be a case when a qualifying child can't be claimed by anyone. Example: The only parent that the child lives with doesn't work or file a tax return and another adult can't meet the general eligibility rules. In this example, no one qualifies to claim this child as a qualifying child for EIC.	If YES , explain to the taxpayer what happens when more than one person claims the EIC using the same child (Qualifying Child of More than One Person rule). If the taxpayer chooses to claim the credit with this child, compute the EIC using the appropriate EIC worksheets. If NO , compute the EIC using the appropriate EIC worksheet.

¹ If your child was married at the end of the year, he or she doesn't meet the joint return test unless you can claim the child as a dependent or you can't claim the child as a dependent because you gave that right to the child's other parent.

² Temporary absences. Count time that you or your child is away from home on a temporary absence due to a special circumstance as time the child lived with you. Examples of a special circumstance include illness, school attendance, business, vacation, military service, and detention in a juvenile facility.

Completing the e-File Section (continued)



(Administrator) Configuration>Office Setup

Split Refund Option

When the taxpayer elects to direct deposit his or her refund into two or three accounts or to purchase saving bonds, you will need to answer additional questions in the e-file section.

First, someone with Administrator privileges must go to Configuration>Office Setup and mark the box for Offer 8888. This will allow all preparers at that site to offer Form 8888, Allocation of Refund (Including Savings Bond Purchases). Form 8888 also supports double-entry of bank routing and account information.

Purchase Savings Bonds

From Split Refund Screen, savings bonds can be purchased.

See [Publication 5381](#), Fact Sheet: Filing Form 8888 and Series I Savings Bonds for VITA/TCE Partners.



U.S. Series I Savings Bonds Taxpayers can request that their refund (or part of it) be used to buy up to \$5,000 in series I savings bonds. Taxpayers can buy bonds electronically by direct deposit into their TreasuryDirect® account. Or, if they don't have a TreasuryDirect® account, they can buy paper savings bonds.



TreasuryDirect® Account
Taxpayers can request a deposit of their refund (or part of it) to a TreasuryDirect® online account to buy U.S. Treasury marketable securities and savings bonds. For more information, go to Treasury Direct (<http://go.usa.gov/3KvcP>)



The taxpayer's name must be on the account in order for a refund to be deposited.

State ID (Optional)

Some states require a drivers license or additional taxpayer identification in order to e-file the return. This screen will appear only if there is a state return.

Select driver's license or ID, license number, date issued, date expires and issuing state. If taxpayer's license has expired, select None Available. See state requirement and work around if applicable.

Completing the e-File Section (continued)

Global Carryforward



Paper Form 15080, Consent to Disclose Tax Return Information to VITA/TCE Tax Return Preparation Sites, is not needed if the taxpayer denies the Global Carryforward of return data to all sites, enters his/her own PIN into TaxSlayer, or if the site uses another tax preparation software.

Taxpayer Consent
Disclose additional information to the taxpayer.

Return Details Fee Summary Bank Account **Taxpayer Consent** Custom Questions Custom Credits Submission Page

Consent to Disclose Tax Return Information to VITA/TCE Tax Prep Sites

TaxYear 2021: the taxpayer/spouse will be required to accept or deny. If they deny, the return is still eligible for site to site carryforward

Global Carry Forward of data allows TaxSlayer LLC, the provider of the VITA/TCE tax software - to make your tax return information available to ANY volunteer site participating in the IRS's VITA/TCE program that you select to prepare a tax return in the next filing season. **This means** - you will be able to visit any volunteer site using TaxSlayer next year and have your tax return populate with your current year data, regardless of where you filed your tax return this year. **This consent is valid** - through November 12, 2023. **The tax return information that will be disclosed includes, but is not limited to** - demographic, financial and other personally identifiable information, about you, your tax return and your sources of income, which was input into the tax preparation software for the purpose of preparing your tax return. **This information includes** - your name, address, date of birth, phone number, SSN, filing status, occupation, employer's name and address, and the amounts and sources of income, deductions

Accept = Next year, the taxpayer's data will carry forward to any VITA/ TCE site using TaxSlayer.

Decline = Next year, the taxpayer's data will carry forward only to the VITA/TCE site that prepared the return.

Questions

Answer national and local questions.

Use these fields for information that is helpful to your site. For example, these fields could be used to enter the preparer's name and/or new versus returning taxpayers. These fields are used by the military to report rank, grade, enlisted/retired, etc.

Custom Questions
Answer any custom questions set up by your office.

Return Details Fee Summary Bank Account State ID License Taxpayer Consent **Custom Questions** Custom Credits Submission Page

1. 1. Would you say you can carry on a conversation in English, both understanding and speaking?
Select

2. 2. Would you say you can read a newspaper or book in English?
Select

After the end of the tax season a custom report can be created.



*If your site or group administrator marked a question as **Required**, you must answer the question to continue. If you select **BACK** before you answer the required questions, TaxSlayer Pro Online does **NOT** save any of the data entered on this page.*

Completing the Submission Page



TaxSlayer Pro Online indicates in State Return Information if the preparer selected Paper Return for the state(s) associated with the return.

Submission Page
Review the final details and transmit the return.

Return Details Fee Summary Bank Account Taxpayer Consent Custom Questions Custom Credits **Submission Page**

TAXPAYER ELECTRONIC SIGNATURE Edit Signature

FEDERAL RETURN
Federal refund
\$1,502
Return method: E-file: Direct Deposit
Edit Refund Method

STATE RETURN
State refund
N/A
Return method: N/A
Edit Refund Method