

Accounting AidSociety SINCE 1972

We use taxes to build relationships. And relationships to build futures.

Advanced Training



Income for Advanced Certification



Tip Income

Form 13614-C- Income- Line 2



Tip Income

Employees in service industries (restaurants, etc.) often receive tips.

Reported Tips

Most tips are reported on Box 7 of Form W-2.

Sometimes they are reported in Box 8 of W-2, Allocated Tips.

Unreported Tips

If the taxpayer earned tips that weren't reported to the employer, enter the amount in the Unreported Tips box on the TaxSlayer W-2 page..

This will add Form 4137, Social Security and Medicare Tax on Unreported Tip Income, to the return.

See Page D-5 in Publication 4012 for details on other unreported tips.

Tip Income

a Employee's social security number		Safe, accurate, FAST! Use		Visit the IRS website at www.irs.gov/efile	
b Employer identification number (EIN)		1 Wages, tips, other compensation		2 Federal income tax withheld	
c Employer's name, address, and ZIP code		3 Social security wages		4 Social security tax withheld	
		5 Medicare wages and tips		6 Medicare tax withheld	
		7 Social security tips		8 Allocated tips	
d Control number		9		10 Dependent care benefits	
e Employee's first name and initial Last name Suff.		11 Nonqualified plans		12a See instructions for box 12	
		13 Statutory employee Retirement plan Third-party sick pay		12b	
		14 Other		12c	
				12d	
f Employee's address and ZIP code					
15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax
				20 Locality name	

Form **W-2** Wage and Tax Statement

2020

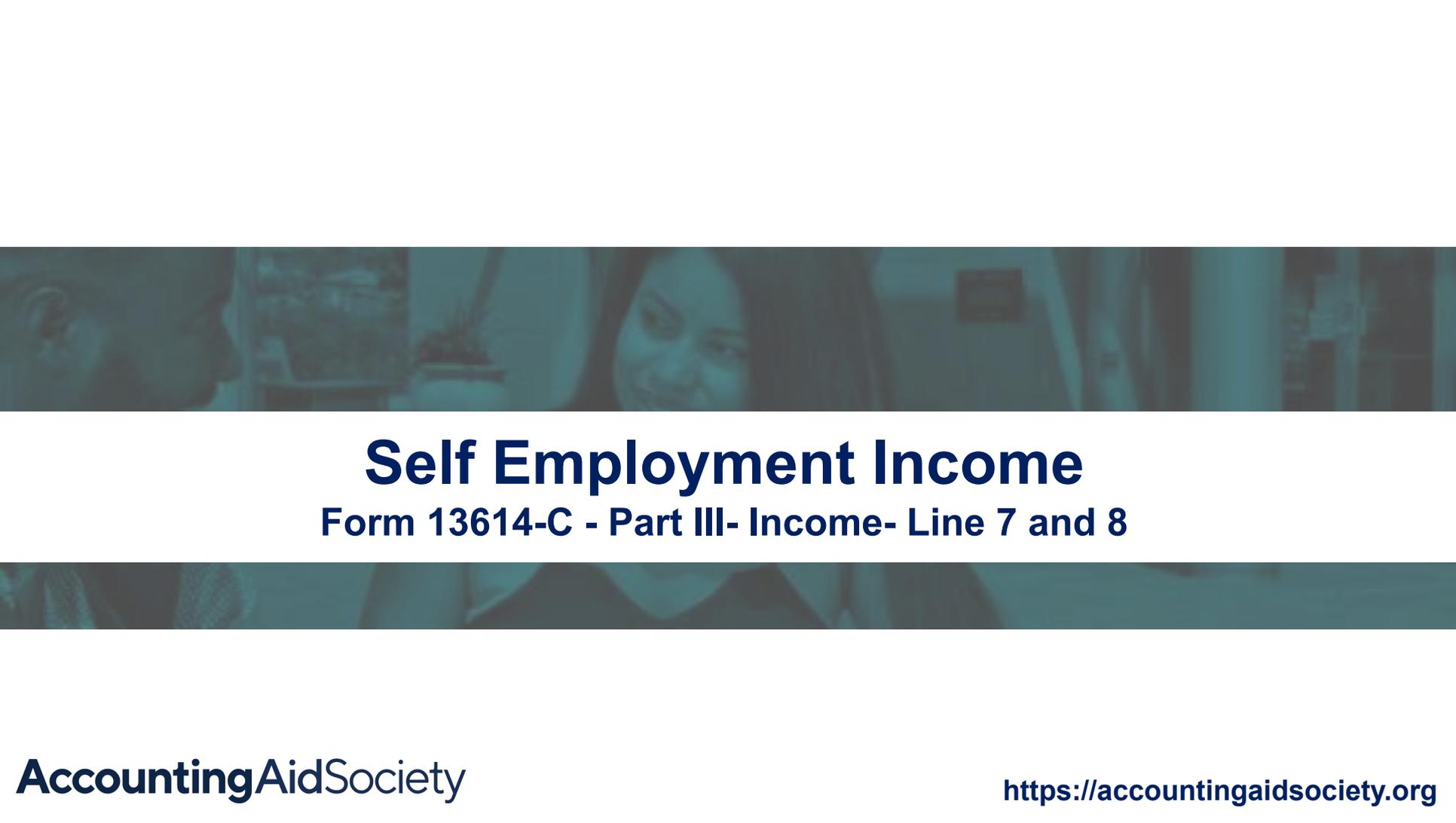
Department of the Treasury—Internal Revenue Service

Copy B—To Be Filed With Employee's FEDERAL Tax Return.
This information is being furnished to the Internal Revenue Service.

Unreported Tips will be based on the taxpayer's records, not reported on the W-2.

Wages

1 Wages, Tips	2 Federal Tax Withheld
\$	\$
3 SS Wages	4 Soc. Sec. Tax Withheld
\$	\$
5 Medicare Wages	6 Medicare Tax
\$	\$
7 SS Tips	8 Allocated Tips
\$	\$
9 IRS Verification Code (If provided)	10 Dependent Care
	\$
11 NonQual Plan	Unreported Tips
\$	\$



Self Employment Income

Form 13614-C - Part III- Income- Line 7 and 8

Self Employment Income

Taxpayers have Self Employment income if any of these are true:

1. They perform work for cash of \$400 or more

2. They receive Form 1099-NEC from their clients

3. They receive Form 1099-K from their clients

If the non-employee compensation is less than \$400, enter it as Other Income, and mark as Earned Income.

If a taxpayer has Self Employment income, we must create a Schedule C.

First, fill out the 1099-NEC worksheet.

If there is a 1099-NEC, enter its information in TaxSlayer, and carry it to a Schedule C

If not, create a Schedule C and bring in cash or 1099-K income as appropriate.

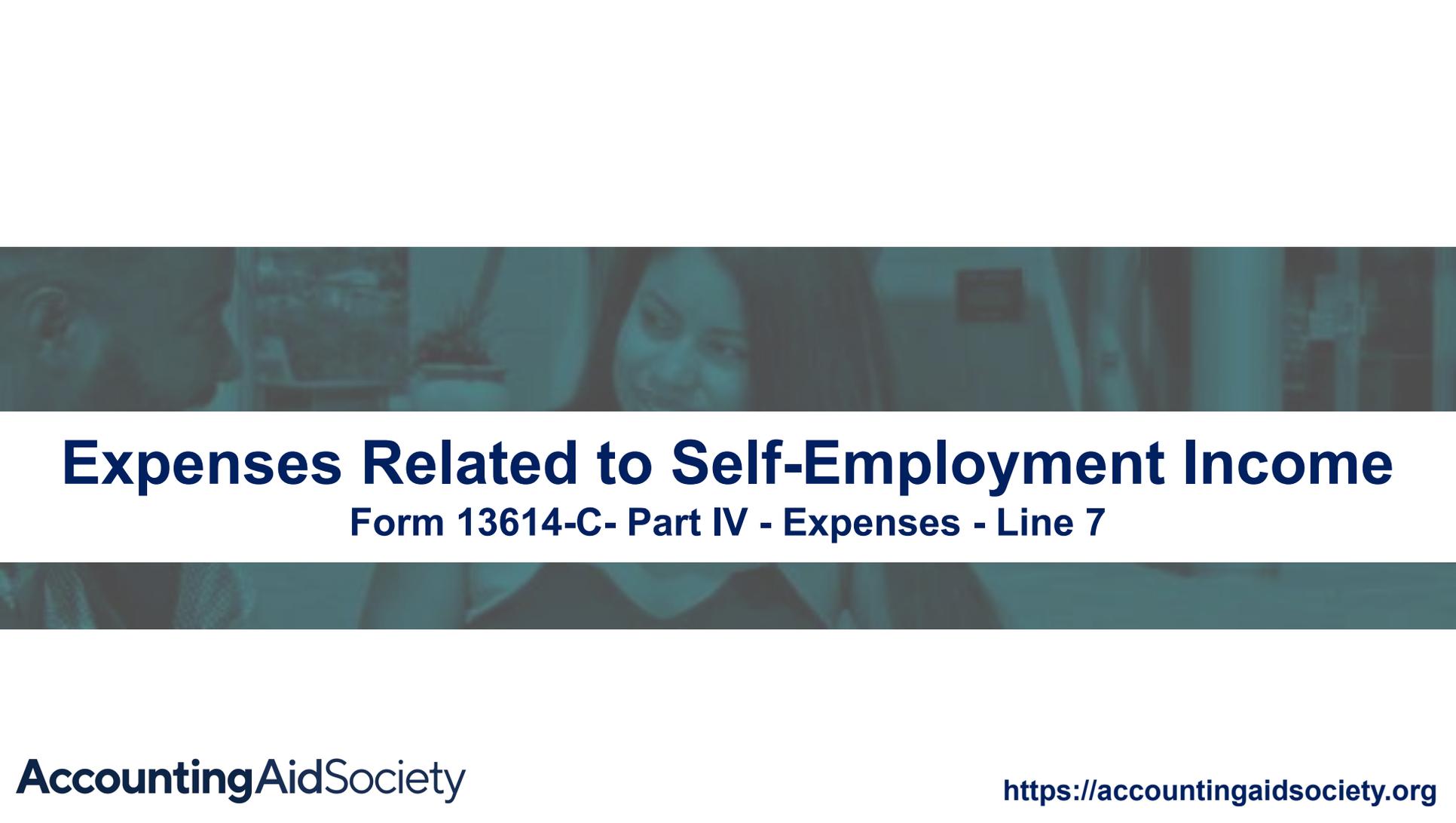
If the taxpayer has Self Employment in multiple fields, like, health care and plumbing, each gets its own Schedule C.

Self Employment Tax

Typically a self-employed individual will owe more than an employee:

- They do not have any federal taxes withheld. Unless they make estimated tax payments, they must pay federal taxes
- A self-employed taxpayer must pay both the employee's and the employer's Social Security and Medicare taxes. This is calculated for us on Schedule SE.

SCHEDULE SE (Form 1040)		Self-Employment Tax		OMB No. 1545-0074
Department of the Treasury Internal Revenue Service (99)		<p>▶ Go to www.irs.gov/ScheduleSE for instructions and the latest information.</p> <p>▶ Attach to Form 1040, 1040-SR, or 1040-NR.</p>		<p>2021 Attachment Sequence No. 17</p>
Name of person with self-employment income (as shown on Form 1040, 1040-SR, or 1040-NR)			Social security number of person with self-employment income ▶	
Part I Self-Employment Tax				
Note: If your only income subject to self-employment tax is church employee income, see instructions for how to report your income and the definition of church employee income.				
<p>A If you are a minister, member of a religious order, or Christian Science practitioner and you filed Form 4361, but you had \$400 or more of other net earnings from self-employment, check here and continue with Part I <input type="checkbox"/></p> <p>Skip lines 1a and 1b if you use the farm optional method in Part II. See instructions.</p>				
1a	Net farm profit or (loss) from Schedule F, line 34, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A			
1b	If you received social security retirement or disability benefits, enter the amount of Conservation Reserve Program payments included on Schedule F, line 4b, or listed on Schedule K-1 (Form 1065), box 20, code AH			
Skip line 2 if you use the nonfarm optional method in Part II. See instructions.				
2	Net profit or (loss) from Schedule C, line 31; and Schedule K-1 (Form 1065), box 14, code A (other than farming). See instructions for other income to report or if you are a minister or member of a religious order			
3	Combine lines 1a, 1b, and 2			
4a	If line 3 is more than zero, multiply line 3 by 92.35% (0.9235). Otherwise, enter amount from line 3			
Note: If line 4a is less than \$400 due to Conservation Reserve Program payments on line 1b, see instructions.				
4b	If you elect one or both of the optional methods, enter the total of lines 15 and 17 here			
4c	Combine lines 4a and 4b. If less than \$400, stop; you don't owe self-employment tax. Exception: If less than \$400 and you had church employee income, enter -0- and continue ▶			
5a	Enter your church employee income from Form W-2. See instructions for definition of church employee income	5a		
5b	Multiply line 5a by 92.35% (0.9235). If less than \$100, enter -0-			
6	Add lines 4c and 5b			
7	Maximum amount of combined wages and self-employment earnings subject to social security tax or the 6.2% portion of the 7.65% railroad retirement (tier 1) tax for 2021			142,800
8a	Total social security wages and tips (total of boxes 3 and 7 on Form(s) W-2) and railroad retirement (tier 1) compensation. If \$142,800 or more, skip lines 8b through 10, and go to line 11	8a		
8b	Unreported tips subject to social security tax from Form 4137, line 10			
8c	Wages subject to social security tax from Form 8919, line 10			
8d	Add lines 8a, 8b, and 8c			
9	Subtract line 8d from line 7. If zero or less, enter -0- here and on line 10 and go to line 11 ▶			
10	Multiply the smaller of line 6 or line 9 by 12.4% (0.124)			
11	Multiply line 6 by 2.9% (0.029)			
12	Self-employment tax. Add lines 10 and 11. Enter here and on Schedule 2 (Form 1040), line 4			
13	Deduction for one-half of self-employment tax. Multiply line 12 by 50% (0.50). Enter here and on Schedule 1 (Form 1040), line 15			



Expenses Related to Self-Employment Income

Form 13614-C- Part IV - Expenses - Line 7

Self Employment -- Some important terms

Definition of Terms	
Business expenses	Business expenses are amounts that are ordinary and necessary to carry on the business.
Cash method of accounting	The cash method of accounting reports all income when received and deducts all expenses when paid.
Inventory	Inventory is the items the taxpayer buys or makes for resale to others. Taxpayers with inventories should be referred to a professional tax preparer.
Depreciation	The cost of items that are expected to last more than a year should be spread over a period of years rather than deducted in the year of purchase. If the taxpayers have such a cost, they should be referred to a professional tax preparer.
Election to expense business assets	An election is available to immediately expense qualifying business assets, known as a "179 deduction". Taxpayers who wish to expense business assets should be referred to a professional tax preparer.

Self Employment -- VITA Scope

A taxpayer's return is **Out Of Scope** if their Self Employment has any of the following:

Returns and allowances	Casualty losses
Depreciation	Net Business Loss
Amounts paid to employees (including contract employees)	Accounting method other than cash
Inventory (or Cost of Goods Sold)	Actual vehicle expenses
Expense for business use of home	Expenses \$35,000 or more

Self Employment Income

SCHEDULE C (Form 1040) Profit or Loss From Business (Sole Proprietorship)

OMB No. 1545-0074
2021 Attachment Sequence No. **09**

Department of the Treasury Internal Revenue Service (99) ▶ Go to www.irs.gov/ScheduleC for instructions and the latest information. ▶ Attach to Form 1040, 1040-SR, 1040-NR, or 1041; partnerships must generally file Form 1065.

Name of proprietor: _____ Social security number (SSN): _____

A Principal business or profession, including product or service (see instructions) _____ **B** Enter code from instructions _____

C Business name. If no separate business name, leave blank. _____ **D** Employer ID number (EIN) (see instr.) _____

E Business address (including suite or room no.) ▶ _____
City, town or post office, state, and ZIP code _____

F Accounting method: (1) Cash (2) Accrual (3) Other (specify) ▶ _____

G Did you "materially participate" in the operation of this business during 2021? If "No," see instructions for limit on losses _____ Yes No

H If you started or acquired this business during 2021, check here _____ Yes No

I Did you make any payments in 2021 that would require you to file Form(s) 1099? See instructions. _____ Yes No

J If "Yes," did you or will you file required Form(s) 1099? _____ Yes No

Part I Income

1	Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked.	1
2	Returns and allowances	2
3	Subtract line 2 from line 1	3
4	Cost of goods sold (from line 42)	4
5	Gross profit. Subtract line 4 from line 3	5
6	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6
7	Gross income. Add lines 5 and 6	7

Part II Expenses. Enter expenses for business use of your home only on line 30.

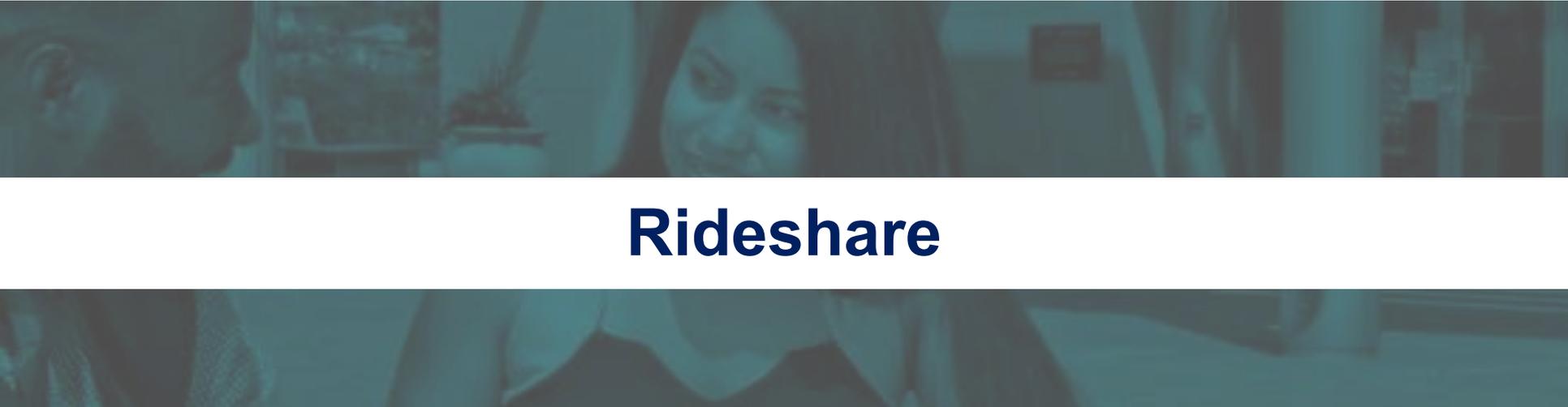
8	Advertising	8	18	Office expense (see instructions)	18
9	Car and truck expenses (see instructions)	9	19	Pension and profit-sharing plans	19
10	Commissions and fees	10	20	Rent or lease (see instructions):	20a
11	Contract labor (see instructions)	11	a	Vehicles, machinery, and equipment	20a
12	Depreciation	12	b	Other business property	20b
13	Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	21	Repairs and maintenance	21
14	Employee benefit programs (other than on line 19)	14	22	Supplies (not included in Part III)	22
15	Insurance (other than health)	15	23	Taxes and licenses	23
16	Interest (see instructions):	16	24	Travel and meals:	24a
a	Mortgage (paid to banks, etc.)	16a	a	Travel	24a
b	Other	16b	b	Deductible meals (see instructions)	24b
17	Legal and professional services	17	25	Utilities	25
			26	Wages (less employment credits)	26
			27a	Other expenses (from line 48)	27a
			27b	Reserved for future use	27b

Anything outlined in red is out of scope.
Anything in green is in scope.

Generally, the return is OOS if there were employees, cost of goods sold, or depreciation/depletion.

The return may also be out of scope for the following reasons:

Net Business Loss	Casualty losses
Expense for business use of home	Expenses \$35,000 or more
Actual vehicle expenses (rather than mileage)	



Rideshare

Self Employment Income - Ridesharing



Taxpayers use their own vehicles, or rented vehicles, to provide rides to others.

Most of them are connected with companies like Uber or Lyft.

The drivers are independent contractors.

They will receive

Form 1099-NEC if income is \$600 or more

Form 1099-K if at least \$20,000 of payments and at least 200 transactions

Most companies issue them to all drivers (easier bookkeeping)

The amount on the 1099-NEC is not included in the 1099-K

Cash tips (not reported by any payment service)

Self Employment Income Rideshare- Mileage

Tax returns with Ridesharing require close attention to mileage and expenses.

- Business Miles
 - Provide a very large expense deduction, at 56¢ per mile for 2021.
 - Do not include personal miles!

Include only these categories		
1. Cruising miles (for example, driving to the stadium to await the exiting crowd)	2. Miles from home to first passenger pickup (because this is considered a “temporary work location”).	3. Miles from last passenger dropoff (because this is considered a “temporary work location”) to home.
4. Passenger miles	5. Miles between rides	

- Miles are tracked differently by different companies (Uber vs Lyft, etc.)

Self Employment Income Rideshare- Mileage

Lyft	Uber
<ul style="list-style-type: none">● Tracks mileage from the time the driver signs on as Available, till they sign off again.● So Personal Miles must be subtracted to yield Business Miles	<ul style="list-style-type: none">● Tracks mileage from the time there is a “ping” (somebody needs a ride), till the passenger exits the vehicle.● Does not keep track of the following types of deductible miles. The client may NOT add them back in, unless they have very rigorous proof. For example, from an automatic mileage-tracking app with departure and destinations listed.<ul style="list-style-type: none">■ Miles between rides■ Cruising miles■ Miles home after last drop-off (!)

Encourage drivers to keep logs of their mileage

Self Employment Income - Sample Rideshare Document

2020 summary



Here's a summary of your earnings and rides for 2020. Thanks for driving with Lyft!

If you received over \$20,000 in gross ride earnings you will also receive a 1099-K by January, 31st 2021

If you received over \$600 in non-ride related earnings you will also receive a 1099-NEC by January 31st, NaN

Your driving totals	249	2983.37
	Rides	Online miles

Gross earnings

Ride payments	\$3,391.26
Non-ride earnings	\$64.73

Expenses

Lyft platform fees	\$948.09
Service fees	\$702.70
Third-party fees	\$20.00
Express Pay fees	\$2.00
Express Drive rental fees	\$1,425.50

Self Employment Income Rideshare -- Non-Mileage Expenses

Allowed in the VITA/TCE world

Fees and commissions already deducted by the company

Additional insurance policy premiums (required by Uber and Lyft and some others)

Parking and tolls

Car detailing (in addition to what's done when not ridesharing)

Snacks, beverages, and other amenities for passengers

Signage (for example, magnetic stickers)

Car-lease payments, for leases no more than 30 days. (Otherwise Out Of Scope)



Qualified Business Deduction

Qualified Business Income Deduction

For our clients, this can be a deduction from taxable income of up to 20% of the Schedule C net profit

It does not affect any of the following:

1. AGI, but it can reduce Federal taxable income.
2. Calculations on Schedule C and Schedule SE. Taxpayers still have to pay SE tax on the full Schedule C profit.

The image shows a portion of the 2021 Form 1040 Schedule 1. A red box highlights line 13, 'Qualified business income deduction from Form 8995 or Form 8995-A'. A red line also points from the text 'AGI, but it can reduce Federal taxable income.' to this line. The form includes various income and deduction categories, with columns for amounts and sub-categories. The bottom of the form includes a disclosure notice and the form number 'Form 1040 (2021)'.

1	Wages, salaries, tips, etc. Attach Form(s) W-2	1
2a	Tax-exempt interest	2a
2b	Taxable interest	2b
3a	Qualified dividends	3a
3b	Ordinary dividends	3b
4a	IRA distributions	4a
4b	Taxable amount	4b
5a	Pensions and annuities	5a
5b	Taxable amount	5b
6a	Social security benefits	6a
6b	Taxable amount	6b
7	Capital gain or (loss). Attach Schedule D if required. If not required, check here	7
8	Other income from Schedule 1, line 10	8
9	Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income	9
10	Adjustments to income from Schedule 1, line 26	10
11	Subtract line 10 from line 9. This is your adjusted gross income	11
12a	Standard deduction or itemized deductions (from Schedule A)	12a
b	Charitable contributions if you take the standard deduction (see instructions)	12b
c	Add lines 12a and 12b	12c
13	Qualified business income deduction from Form 8995 or Form 8995-A	13
14	Add lines 12c and 13	14
15	Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-	15

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11320B Form 1040 (2021)

Qualified Business Income Deduction

QBI is the net amount of qualified items of income, gain, deduction, and loss from any qualified trade or business

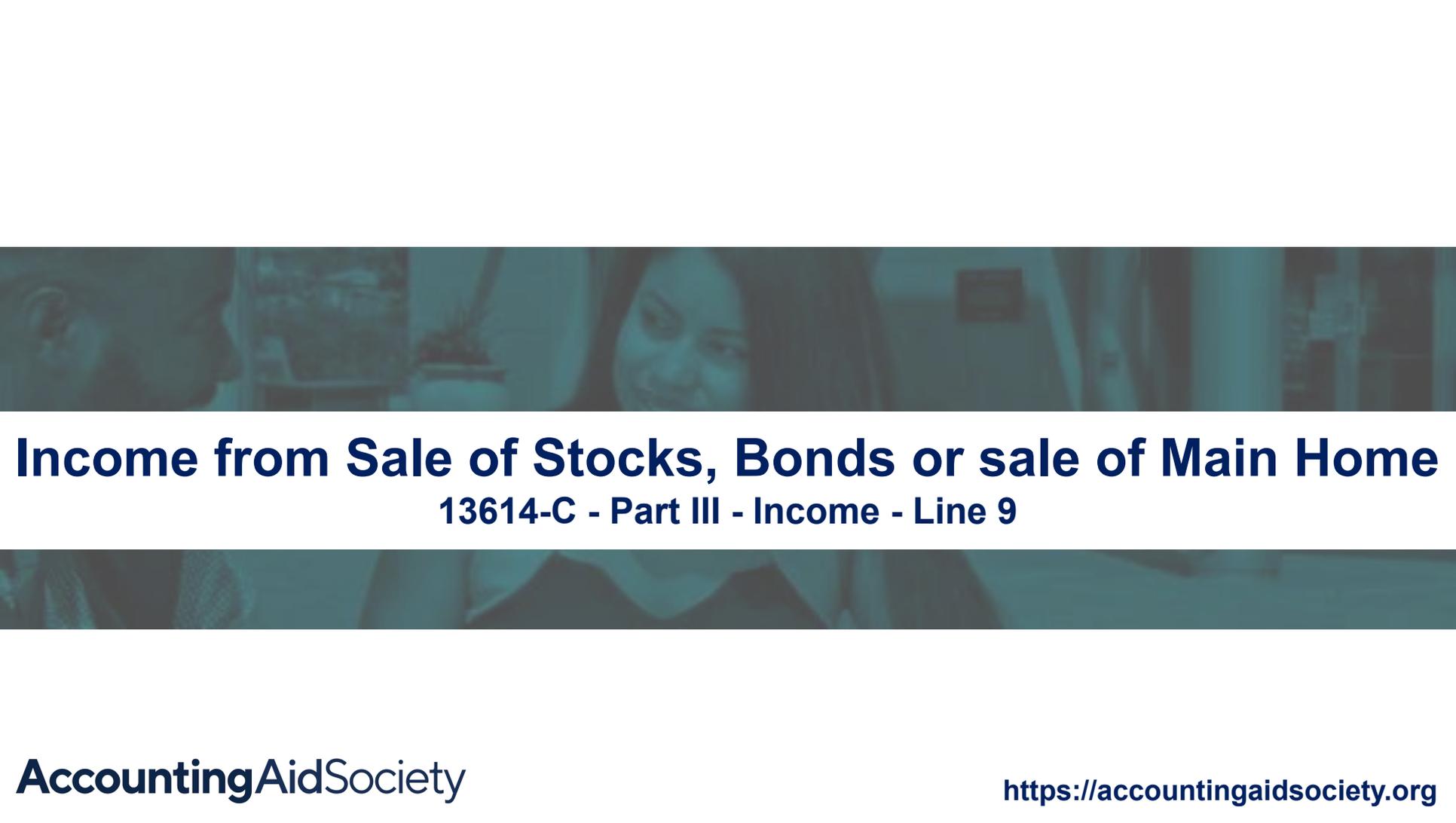
- Only items included in taxable income are counted
- Items such as capital gains and losses, certain dividends and interest income are excluded
- If an individual has more than one trade or business, the QBI is calculated for each trade or business and then the amounts are netted
- If negative total QBI, then the QBI deduction is zero -- and the return is probably Out of Scope due to a total Schedule C loss.

Note that TaxSlayer does all these calculations automatically!

Qualified Business Income Deduction

Calculation:

- ◆ The deduction for qualified business income will be the lesser of:
 - ❑ 20% of taxpayer's QBI, plus 20% of the taxpayer's real estate investment trust (REIT) dividends and qualified publicly traded partnership (PTP) income, or
 - ❑ 20% of taxpayer's taxable income minus net capital gains



Income from Sale of Stocks, Bonds or sale of Main Home

13614-C - Part III - Income - Line 9

Capital Gains & Losses

- A taxpayer must use Form 8949 and Schedule D to report capital gains and losses on the sale of assets.
- The subtotals from Form 8949 are carried over to Schedule D, Capital Gains and Losses, where gain or loss is calculated in aggregate.
- Losses on a personal residence are never deductible.
- Gains from sale of a personal residence are not taxable, if less than \$250,000 (\$500,000 MFJ) and certain tests are met.



Retirement Income

Form 13614-C - Part III- Income- Line 11

1099-R Pensions

How do I find the taxable portion of pensions and annuities?

- In general, pension or annuity payments are fully taxable, if the following are true:
 - Taxpayers did not pay any part of the cost of their pensions or annuities
 - Employers did not withhold part of the cost from the taxpayers' pay while they worked
 - Employers withheld part of the cost from the taxpayer's before-tax pay while they worked. Social Security benefits are not reported on the pension line of the tax return.

1099-R Simplified Method

What is the Simplified Method?

- The Simplified Method is used to calculate the tax-free portion of each pension or annuity payment.
- The Simplified Method Worksheet calculates the taxpayer's cost basis for each monthly payment.
- It must be used if the taxable amount in Box 2a is **blank**.
- The “taxable amount is not Determined” is checked.

Taxable Amount Undetermined

What is needed to do the simplified method?

1. Plan Cost at annuity start date (shown in box 9b)
2. Starting date of annuity
3. Is this a joint or survivor annuity?
4. What was the age of the recipient at start date? (if joint or survivor annuity, add ages of recipients)
5. Number of months paid in 2021?

Office of Personnel Management
Retirement Operations
P.O. Box 45
Boyers, PA 16017-0045

Statement of Survivor Annuity Paid
Copy C - For annuitant's records.
This information is being furnished to the U.S. Internal Revenue

2019

OMB No. 1545-0119
Form 1099-R
Distributions From
Pensions, Annuities,
Redemption or Pre-
Sharing Plans, IRAs,
Insurance Contracts, etc.

PAYER's Federal Identification	Recipient's ID No. (Survivor)	Account number (Retirement Claim No.) CS F7152555W
5. Employee Contributions/ Designated ROTH Contributions or Insurance Premiums 3127.83	Paid To	
7. Distribution Code(s) 4-DEATH-BENEFIT		
9b. Total Employee Contributions 11440.00		

1. Gross distribution 18684.00	
2a. Taxable amount UNKNOWN	
4. Federal Income Tax Withheld NONE	
12. State tax withheld NONE	13. State/Payer's state no.
12. State tax withheld NONE	13. State/Payer's state no.

Calculating Age of the Recipient at Start Date

Example:

Joe elected a joint/survivor annuity when he retired and started receiving his pension on July 1, 2015.

Joe was born March 5, 1950.

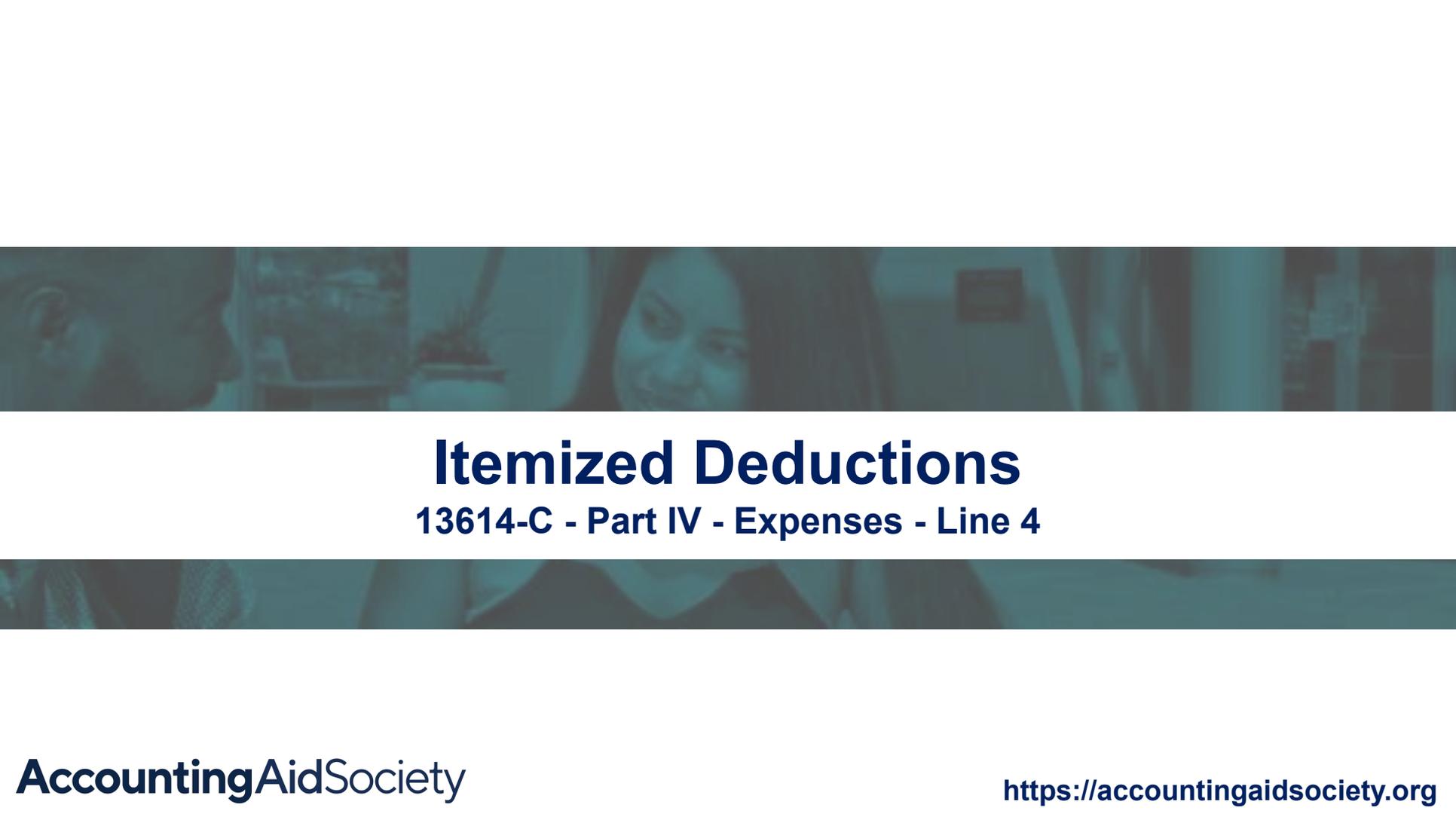
His wife, Mary, was born on July 23, 1953.

Joe's birthday had passed, so his age was $2015-1950=65$ years old

Mary's age would have been $2015-1953=62$, but since her birthday had not passed yet, we must use 61.

The sum of ages = 126 years.

To ensure the taxable portion of the pension is calculated correctly, the age of the taxpayer(s) at the annuity start date, not their age for the tax year, must be used when determining the total number of expected monthly payments.



Itemized Deductions

13614-C - Part IV - Expenses - Line 4

What are Itemized Deductions?

- Itemized deductions are subtractions from a taxpayer's Adjusted Gross Income (AGI) that reduce the amount of income that is taxed.
 - Taxpayers should use the type of deduction that results in the lowest tax.
- Itemized deductions include amounts paid for qualified:
 - Medical and dental expenses
 - Certain taxes paid
 - Home mortgage interest
 - Gifts to charity
 - Casualty and theft losses (only losses derived from federally declared disaster areas are allowed)
 - Certain miscellaneous deductions

Medical and Dental Expenses

Medical and Dental Expenses	Caution: Do not include expenses reimbursed or paid by others.
	1 Medical and dental expenses (see instructions)
	2 Enter amount from Form 1040 or 1040-SR, line 11 2
	3 Multiply line 2 by 7.5% (0.075)
4 Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-	

Medical and Dental expenses

- Only the portion of total medical expenses that are **GREATER than 7.5%** of a person's adjusted gross income can be deducted as part of itemized deductions

Qualified medical expenses include:

Eye Exam/ Eyeglasses	Insurance premiums	Dental treatment (exceptions apply)	Non-cosmetic operations
For a full list of expenses see publication 502			

Taxes You Paid

Taxes You Paid	
5 State and local taxes.	
a State and local income taxes or general sales taxes. You may include either income taxes or general sales taxes on line 5a, but not both. If you elect to include general sales taxes instead of income taxes, check this box <input type="checkbox"/>	5a
b State and local real estate taxes (see instructions)	5b
c State and local personal property taxes	5c
d Add lines 5a through 5c	5d
e Enter the smaller of line 5d or \$10,000 (\$5,000 if married filing separately)	5e
6 Other taxes. List type and amount	6
7 Add lines 5e and 6	7

Taxes you paid

- The itemized deduction for state and local taxes and sales and property taxes is limited to a combined, total deduction of \$10,000 (\$5,000 if MFS).

Interest you Paid

- Interest on home loans -- both primary and a second home -- is deductible. (Form 1098)
- For tax years 2018 to 2025, single and married filing jointly filers can claim an itemized deduction for 100% of the interest they pay on up to \$750,000 (\$375,000 if MFS) of debt secured by their first and second homes.
- Mortgage insurance premiums can be deducted.

Interest You Paid <small>Caution: Your mortgage interest deduction may be limited (see instructions).</small>	8 Home mortgage interest and points. If you didn't use all of your home mortgage loan(s) to buy, build, or improve your home, see instructions and check this box <input type="checkbox"/>	
	a Home mortgage interest and points reported to you on Form 1098. See instructions if limited	8a
	b Home mortgage interest not reported to you on Form 1098. See instructions if limited. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying no., and address ▶ _____ _____ _____	8b
	c Points not reported to you on Form 1098. See instructions for special rules	8c
	d Mortgage insurance premiums (see instructions)	8d
	e Add lines 8a through 8d	8e
	9 Investment interest. Attach Form 4952 if required. See instructions.	9
	10 Add lines 8e and 9	

Gifts to Charity

Gifts to Charity Caution: If you made a gift and got a benefit for it, see instructions.	11 Gifts by cash or check. If you made any gift of \$250 or more, see instructions	11		
	12 Other than by cash or check. If you made any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500	12		
	13 Carryover from prior year	13		
	14 Add lines 11 through 13			14

Gifts to Charity:

- This includes contributions to religious groups (churches, mosques); nonprofit organizations (Salvation Army, Red Cross, Goodwill industries, United Way). If a gift was \$250 or more, the taxpayer must have receipt from the recipient.
- The law now allows taxpayers to apply up to 100% of their AGI, for calendar-year 2021 qualified contributions.

Casualty and Theft Losses

Casualty and Theft Losses	15 Casualty and theft loss(es) from a federally declared disaster (other than net qualified disaster losses). Attach Form 4684 and enter the amount from line 18 of that form. See instructions	15
----------------------------------	--	-----------

Casualty and theft losses are **not in scope**

- Only casualty losses derived from federally declared disaster areas are allowed. All other losses are not allowed except to the extent of casualty gains.

To calculate casualty loss

1. Reduce each casualty or theft loss by \$100.
2. Reduce total casualty or theft loss attributed to a federally declared disaster by 10% AGI.

Michigan federally declared disaster area

Individuals and households affected by severe storms, flooding, and tornadoes that reside in Macomb, Oakland, Washtenaw and Wayne counties have the option of claiming disaster-related casualty losses on their federal income tax return for either the year in which the event occurred, or the prior year.

Other Itemized Deductions

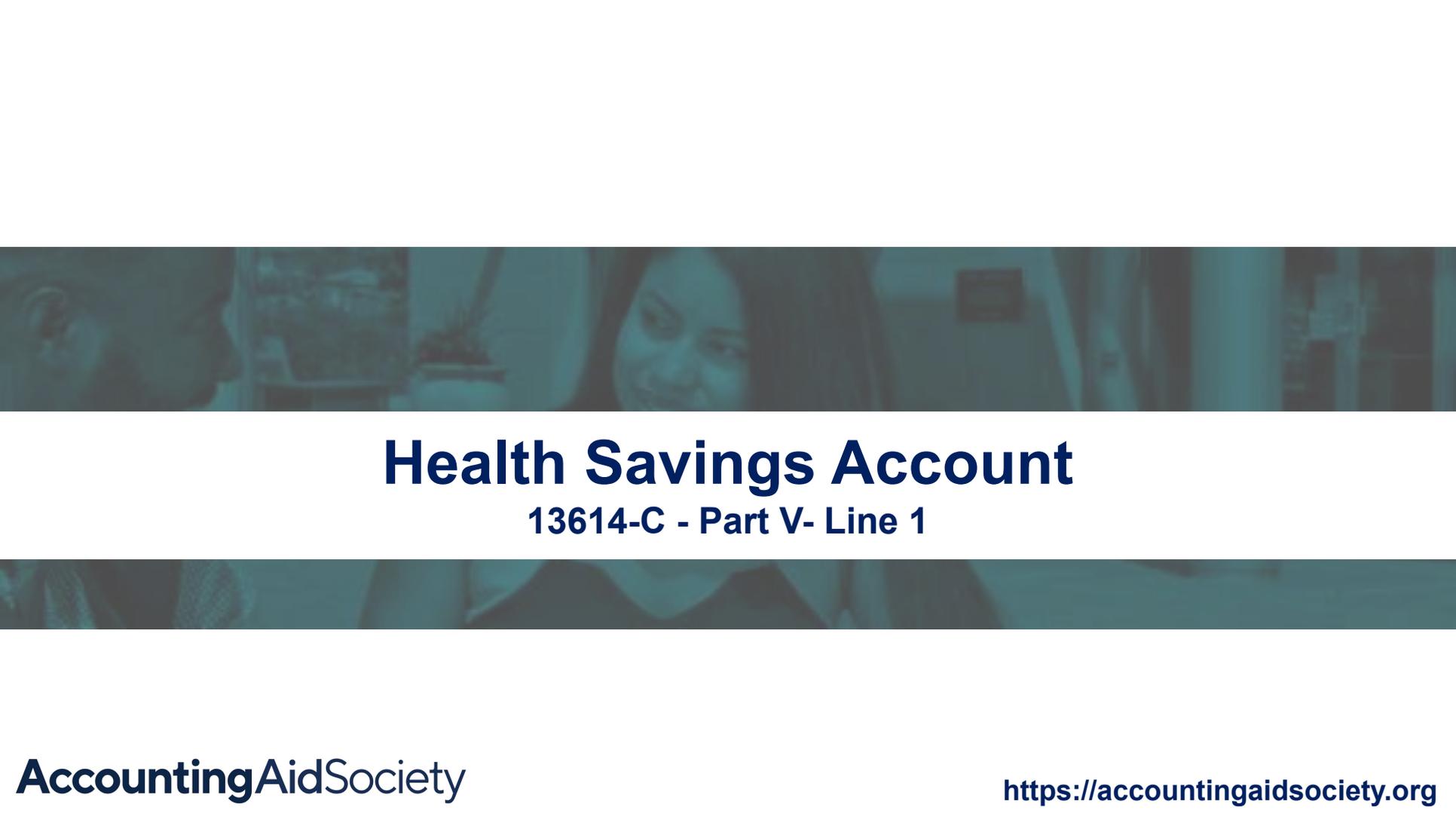
Gambling losses (gambling losses include, but aren't limited to, the cost of non-winning bingo, lottery, and raffle tickets), but only to the extent of gambling winnings reported on Schedule 1 (Form 1040), line 8.

- Deductions that were limited to 2% of AGI are **no longer allowed**. These include:
 - Job related expenses such as job travel, job education, union dues, uniforms, etc.
 - Tax preparation fees
 - Hobby expenses



Life Events

We use taxes to build relationships.
And relationships to build futures.



Health Savings Account

13614-C - Part V- Line 1

Health Savings Accounts (HSA)

An HSA is a tax-advantaged medical savings account.

Eligibility

Must be covered under a high-deductible health insurance plan

Must have no other health insurance coverage

Can not be covered by Medicare (but can be eligible in months before Medicare coverage).

If ineligible, but contributions have been made, this is Out of Scope.

Health Savings Accounts (HSA)

Annual Contribution limits

Family plan: \$7,200

Self-only plan: \$3,600

Add \$1,000 if owner is age 55 or older at year end

Employer contributions count against these limits, but are not included in the amount of the Adjustment.

Excess contributions must be withdrawn by the filing date, including extensions, to avoid a 6% penalty on the excess.

Health Savings Accounts (HSA)

Form 1040, Page 1

10	Adjustments to income:		
a	From Schedule 1, line 22	10a	
b	Charitable contributions if you take the standard deduction. See instructions	10b	
c	Add lines 10a and 10b. These are your total adjustments to income ▶		10c

Form 1040, Schedule 1

Schedule 1 (Form 1040) 2021

Page **2**

Part II Adjustments to Income

11	Educator expenses	11	
12	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106	12	
13	Health savings account deduction. Attach Form 8889	13	

Health Savings Accounts (cont'd.)

How to tell if there are HSA considerations

The client's W-2 will contain code W in Box 12

The client has Form 1099-SA with the HSA distribution box checked

The client has received Form 5498-SA showing HSA contributions

Health Savings Accounts (cont'd.)

Distributions must be for qualified medical expenses, which include:

All medical and dental expenses allowed on Schedule A

Over-the-counter products and medications that may not be allowed on Schedule A

Long-term care insurance premiums

Certain other health insurance premiums (Pub 4012, p.E-8)

Forms Related to HSAs

9494

VOID

CORRECTED

TRUSTEE'S/PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number		OMB No. 1545-1517		Distributions From an HSA, Archer MSA, or Medicare Advantage MSA
		<h1>2019</h1>		
		Form 1099-SA		
PAYER'S TIN	RECIPIENT'S TIN	1 Gross distribution	2 Earnings on excess cont.	
		\$	\$	
RECIPIENT'S name		3 Distribution code	4 FMV on date of death	Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2019 General Instructions for Certain Information Returns.
			\$	
Street address (including apt. no.)		5 HSA <input checked="" type="checkbox"/>		
City or town, state or province, country, and ZIP or foreign postal code		Archer MSA <input type="checkbox"/>		
Account number (see instructions)		MA MSA <input type="checkbox"/>		

Forms Related to HSAs

2727

VOID

CORRECTED

TRUSTEE'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number		1 Employee or self-employed person's Archer MSA contributions made in 2022 and 2023 for 2022 \$	OMB No. 1545-1518 2022 Form 5498-SA	HSA, Archer MSA, or Medicare Advantage MSA Information
		2 Total contributions made in 2022 \$		
TRUSTEE'S TIN	PARTICIPANT'S TIN	3 Total HSA or Archer MSA contributions made in 2023 for 2022 \$		Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2022 General Instructions for Certain Information Returns.
PARTICIPANT'S name		4 Rollover contributions \$	5 Fair market value of HSA, Archer MSA, or MA MSA \$	
Street address (including apt. no.)		6 HSA <input checked="" type="checkbox"/>		
City or town, state or province, country, and ZIP or foreign postal code		Archer MSA <input type="checkbox"/>		
Account number (see instructions)		MA MSA <input type="checkbox"/>		

Health Savings Accounts (Contribution Inputs in TaxSlayer)

Pub 4012,
page E-7

Form 8889 - Health Savings Account

CANCEL

CONTINUE

Form belongs to:

Taxpayer

← Add a second Form 8889 if taxpayer and spouse have separate HSAs.

Spouse

Coverage under high deductible health plan. If you are no longer covered under a plan, please select your previous type of coverage *

-- Please Select --

Select the appropriate HDHP coverage for the taxpayer: Self-only or family. This determines the maximum HSA contribution limits.

Note: Use family coverage amount if taxpayer or spouse had an HDHP with family coverage.

HSA Contributions

HSA Contributions you made for 2020

* INCLUDE contributions made from Jan 1 to Apr 15 of this year that were for 2020.

* DO NOT INCLUDE employer contributions, contributions through a cafeteria plan, or amounts that were rolled over into your HSA(s).

\$

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.

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.

Number of months during this tax year that you were an eligible individual

- Please Select -

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).

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.

\$

Out of scope

Amount to Adjust Employer Contributions made to your HSA(s) for 2020

We will automatically pull your employer contributions from your W-2. DO NOT enter amounts from your W-2.

\$

Health Savings Accounts (Distribution Inputs in TaxSlayer)

Pub 4012,
page E-8

HSA Distributions

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

\$

Distributions used for qualified medical expenses
* If you do not enter an amount here your entire distribution will be considered taxable.

\$

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.

\$

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.

HSA Adjustments

Limitation - Adjust amount of limitation from worksheet (entries here carry to Line 3 of 8889)
Note: This amount will adjust a calculated amount.

\$

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.

\$

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.

\$

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.

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

Form 8889 will calculate the amount of excess contributions, if any.

CAUTION 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.

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.

If both taxpayer and spouse had an HSA for the whole year, enter \$7,200 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.

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

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

Health Savings Accounts (concluded)

Form 8889 Department of the Treasury Internal Revenue Service	Health Savings Accounts (HSAs) ▶ Attach to Form 1040, 1040-SR, or 1040-NR. ▶ Go to www.irs.gov/Form8889 for instructions and the latest information.	OMB No. 1545-0074 <div style="text-align: center; border: 1px solid black; padding: 2px;"> 2019 Attachment Sequence No. 52 </div>
Name(s) shown on Form 1040, 1040-SR, or 1040-NR		Social security number of HSA beneficiary, if both spouses have HSAs, see instructions ▶

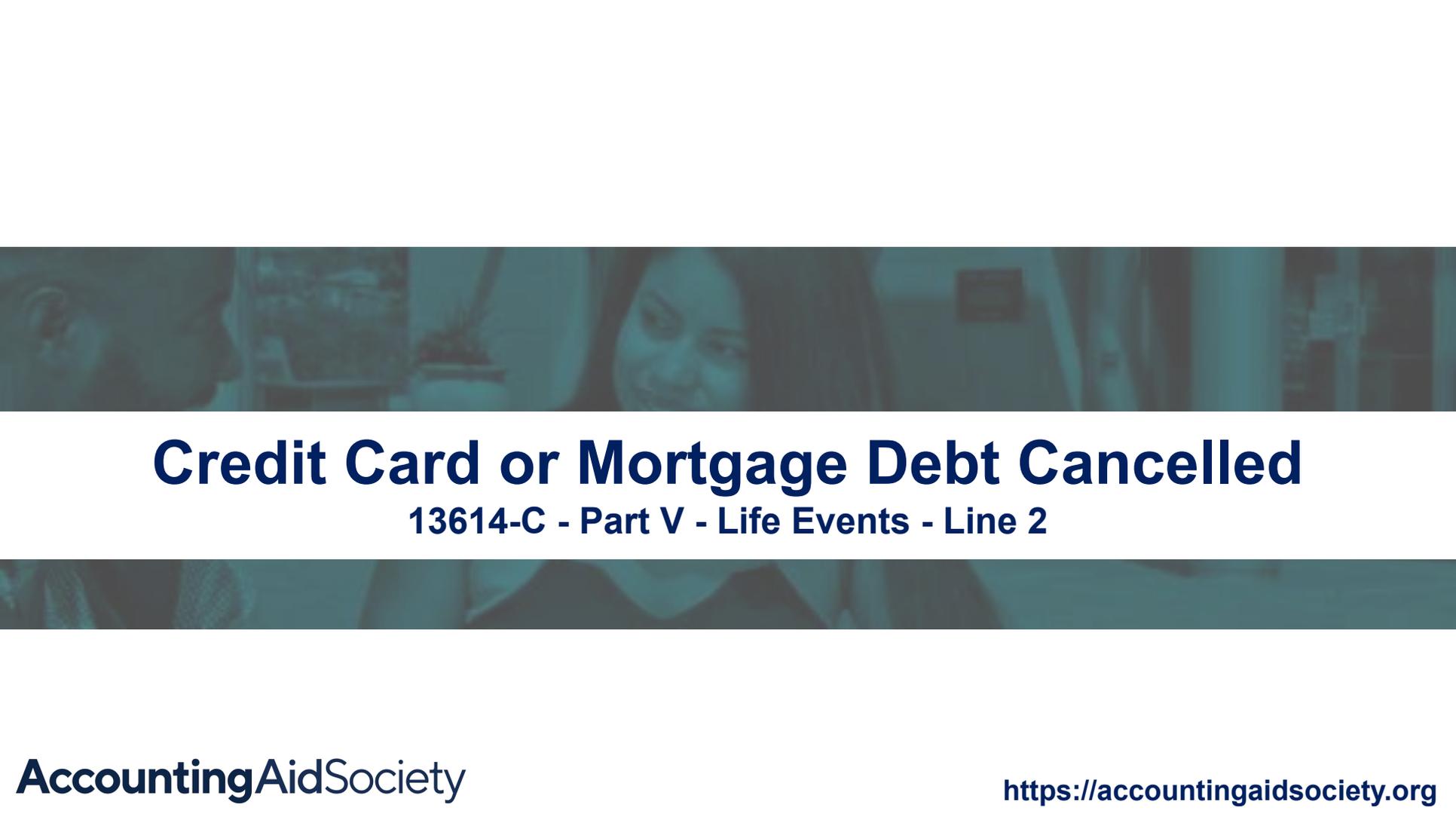
Before you begin: Complete Form 8853, Archer MSAs and Long-Term Care Insurance Contracts, if required.

Part I HSA Contributions and Deduction. See the instructions before completing this part. If you are filing jointly and both you and your spouse each have separate HSAs, complete a separate Part I for each spouse.

1 Check the box to indicate your coverage under a high-deductible health plan (HDHP) during 2019 (see instructions) ▶		<input type="checkbox"/> Self-only <input type="checkbox"/> Family
2 HSA contributions you made for 2019 (or those made on your behalf), including those made from January 1, 2020, through April 15, 2020, that were for 2019. Do not include employer contributions, contributions through a cafeteria plan, or rollovers (see instructions)	2	
3 If you were under age 55 at the end of 2019 and, on the first day of every month during 2019, you were, or were considered, an eligible individual with the same coverage, enter \$3,500 (\$7,000 for family coverage). All others, see the instructions for the amount to enter	3	
4 Enter the amount you and your employer contributed to your Archer MSAs for 2019 from Form 8853, lines 1 and 2. If you or your spouse had family coverage under an HDHP at any time during 2019, also include any amount contributed to your spouse's Archer MSAs	4	
5 Subtract line 4 from line 3. If zero or less, enter -0-	5	
6 Enter the amount from line 5. But if you and your spouse each have separate HSAs and had family coverage under an HDHP at any time during 2019, see the instructions for the amount to enter	6	
7 If you were age 55 or older at the end of 2019, married, and you or your spouse had family coverage under an HDHP at any time during 2019, enter your additional contribution amount (see instructions)	7	
8 Add lines 6 and 7	8	
9 Employer contributions made to your HSAs for 2019	9	
10 Qualified HSA funding distributions	10	
11 Add lines 9 and 10	11	
12 Subtract line 11 from line 8. If zero or less, enter -0-	12	
13 HSA deduction. Enter the smaller of line 2 or line 12 here and on Schedule 1 (Form 1040 or 1040-SR), line 12, or Form 1040-NR, line 25	13	

Part II HSA Distributions. If you are filing jointly and both you and your spouse each have separate HSAs, complete a separate Part II for each spouse.

14a Total distributions you received in 2019 from all HSAs (see instructions)		14a
b Distributions included on line 14a that you rolled over to another HSA. Also include any excess contributions (and the earnings on those excess contributions) included on line 14a that were withdrawn by the due date of your return (see instructions)		14b
c Subtract line 14b from line 14a		14c
15 Qualified medical expenses paid using HSA distributions (see instructions)		15
16 Taxable HSA distributions. Subtract line 15 from line 14c. If zero or less, enter -0-. Also, include this amount in the total on Schedule 1 (Form 1040 or 1040-SR), line 8, or Form 1040-NR, line 21. Enter "HSA" and the amount on the line next to the box		16
17a If any of the distributions included on line 16 meet any of the Exceptions to the Additional 20% Tax (see instructions), check here ▶ <input type="checkbox"/>		
b Additional 20% tax (see instructions). Enter 20% (0.20) of the distributions included on line 16 that are subject to the additional 20% tax. Also include this amount in the total on Schedule 2 (Form 1040 or 1040-SR), line 8, or Form 1040-NR, line 60. Check box c on Schedule 2 (Form 1040 or 1040-SR), line 8, or box b on Form 1040-NR, line 60. Enter "HSA" and the amount on the line next to the box		17b



Credit Card or Mortgage Debt Cancelled

13614-C - Part V - Life Events - Line 2

Canceled Debt: Form 1099-C

If a client comes in with canceled debt, it will be reported as other income. If the client is in bankruptcy, insolvent, or the canceled debt is business related it is not in scope. Requires Advanced certification.

CORRECTED (if checked)

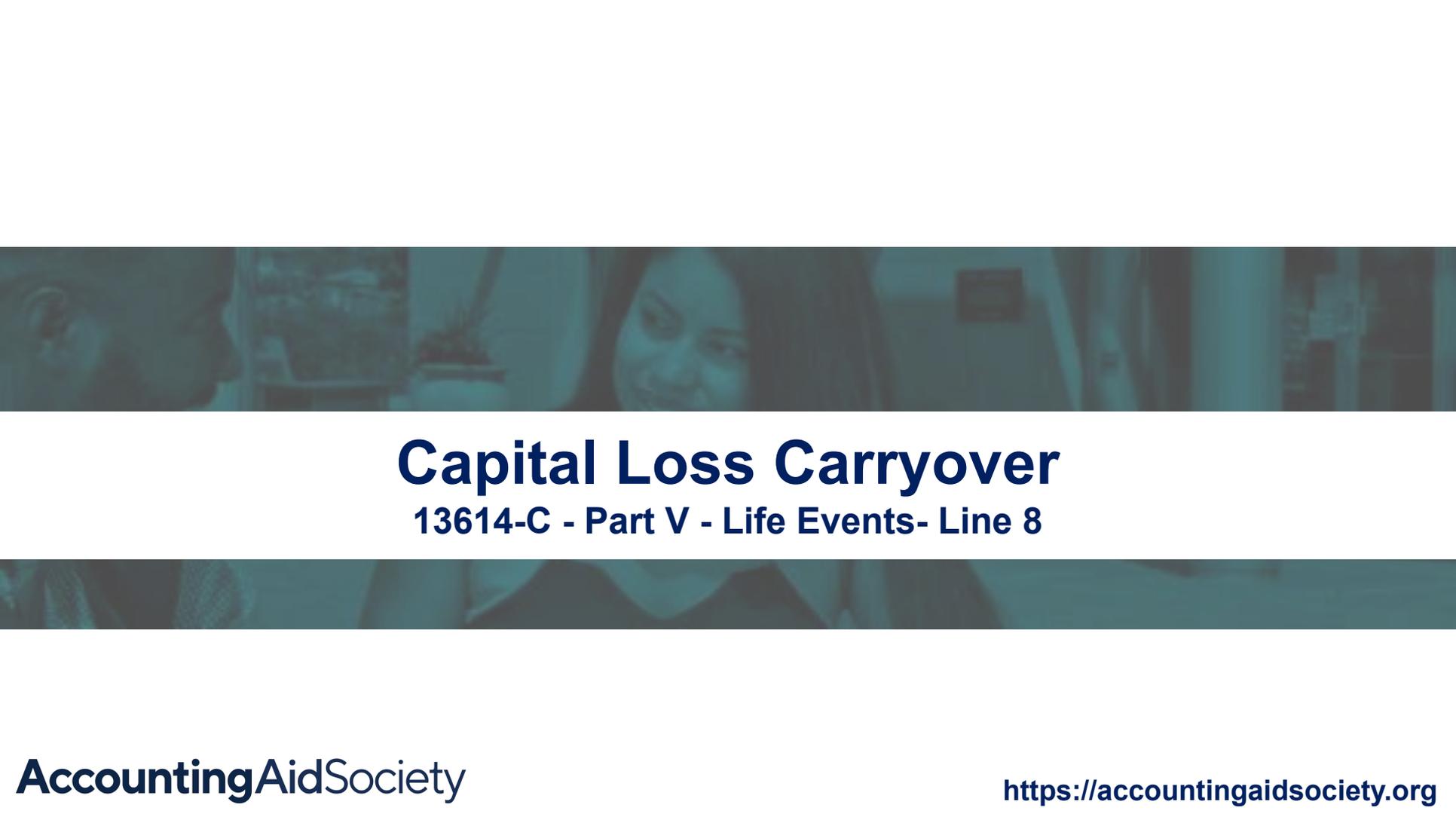
CREDITOR'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Date of identifiable event 09/24/2020	OMB No. 1545-1424 2020 Form 1099-C	Cancellation of Debt
		2 Amount of debt discharged \$11,327.72		
		3 Interest, if included in box 2 \$		
CREDITOR'S TIN 1	DEBTOR'S TIN	4 Debt description CREDIT CARD LOAN		Copy B For Debtor This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if taxable income results from this transaction and the IRS determines that it has not been reported.
DEBTOR'S name				
Street address (including apt. no.)		5 If checked, the debtor was personally liable for repayment of the debt <input checked="" type="checkbox"/>		
City or town, state or province, country, and ZIP or foreign postal code		6 Identifiable event code G		
Account number (see instructions) 5424181150040702		7 Fair market value of property \$		

Form **1099-C**

(keep for your records)

www.irs.gov/Form1099C

Department of the Treasury - Internal Revenue Service

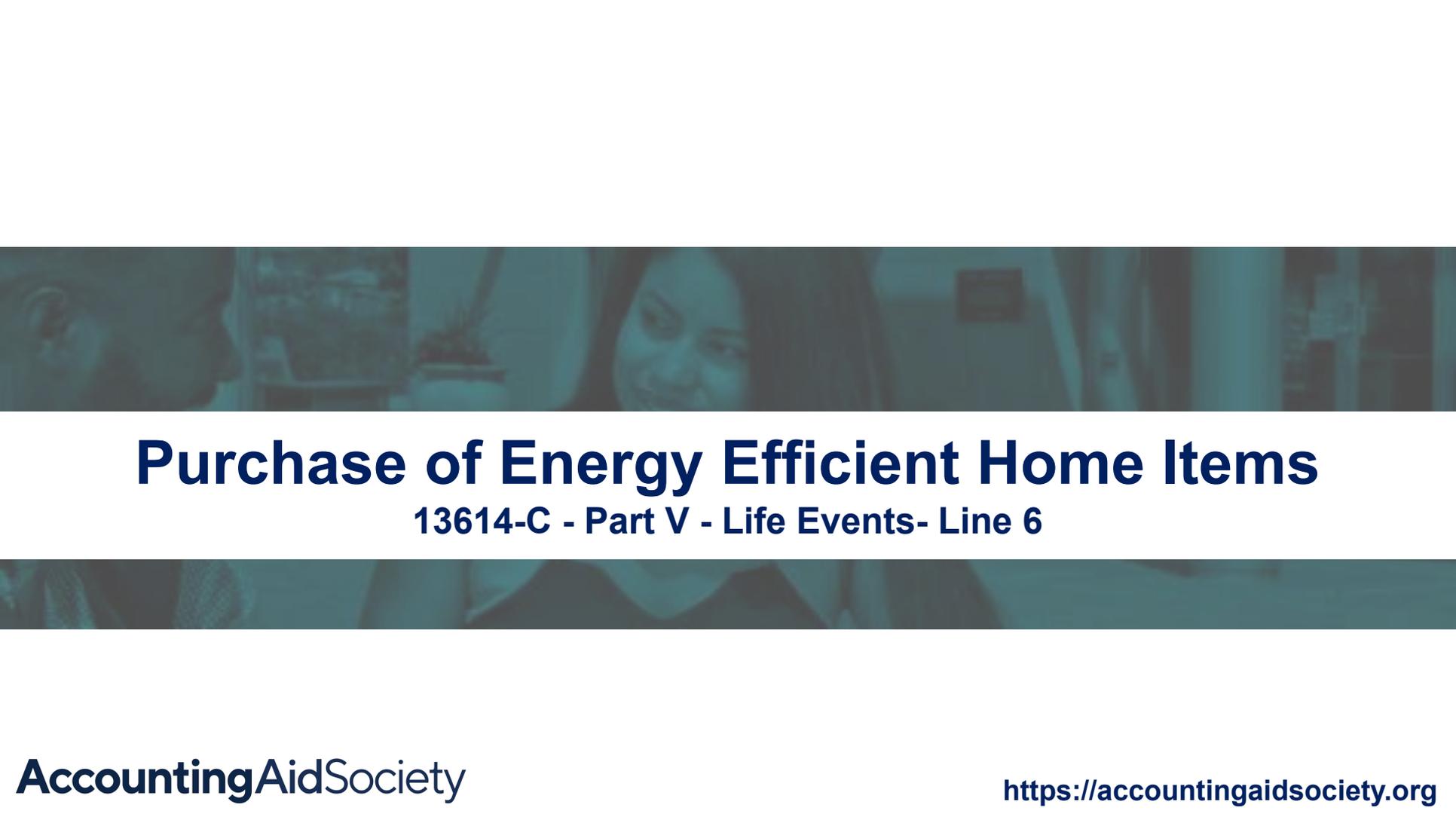


Capital Loss Carryover

13614-C - Part V - Life Events- Line 8

Capital Gains & Losses (Con't)

- The net allowable capital loss per year is referred to as the “deduction limit.”
- A taxpayer’s deduction limit cannot be more than \$3,000 (\$1,500 for married taxpayers filing separately) in figuring taxable income for any single tax year.
- Any prior year carryover losses are combined with the capital gains and losses in future years. Unused capital losses can be carried over to later years until they are completely used up.



Purchase of Energy Efficient Home Items

13614-C - Part V - Life Events- Line 6

Energy-Efficient Home Items

Individuals who purchase qualified energy efficient improvements for their main home may be allowed nonrefundable tax credits.

The nonbusiness energy property credit is available for certain **qualifying** energy efficiency improvements or residential energy property costs.

The qualifying items are:

Biomass stoves	Heating, ventilating, air-conditioning (HVAC)	Insulation	Roofs (metal and asphalt)	Water heaters (non-solar)
----------------	---	------------	---------------------------	---------------------------

The IRS provides guidance on what property qualifies for the energy credits. Homeowners generally can rely on manufacturers' certifications that their property qualifies.



Health Coverage Through the Marketplace

13614-C - Part V - Life Events - Line 9

Premium Tax Credit - PTC

What is the Premium Tax Credit?

The [Premium Tax Credit](#) helps pay for health insurance coverage bought from the Health Insurance Marketplace. When a taxpayer or a family member of the taxpayer applies for coverage, the Marketplace estimates the amount of the PTC the taxpayer may be able to claim for the year of coverage. This estimate is based on information the taxpayer provides about family size and projected household income.

Eligible taxpayers then choose to have all, some, or none of the estimated credit paid in advance directly to their insurance company on their behalf. These payments – which are called [advance payments of the Premium Tax Credit](#), advance credit payments, or APTC – lower what taxpayers pay out-of-pocket for their monthly premiums.

Alternatively, taxpayers can choose not to get APTC, pay the full amount of their monthly premium, and claim all of the benefit of the PTC that they are allowed when they file their tax return. This will increase their refund or lower the amount of tax they owe.

Taxpayers use [Form 8962, Premium Tax Credit](#), to figure the amount of their PTC and reconcile it with their APTC.

Premium Tax Credit - PTC

- Clients are entitled to the Premium Tax Credit if:
 - Household income between 100% - 400% of the Federal Poverty Level who purchase from the Marketplace
 - Not able to get affordable coverage through an employer plan (considered affordable if self-only coverage does not exceed 9.86% of Household Income)
 - Not eligible for government-sponsored programs
 - Does not file as Married Filing Separately
 - Cannot be claimed as a dependent

Premium Tax Credit - PTC

- Shared Responsibility Payment has been eliminated
- If client has Form 1095-B or 1095-C no further actions are necessary. When asked on the health questionnaire in Taxslayer mark “No” and continue.
- If client has Form 1095-A, then Form 8962, Premium Tax Credit, needs to be completed
 - Reconciles amount of credit taxpayer received vs. what they are entitled to based on income reported.

Premium Tax Credit - PTC

Form 1095-C, *Employer Provided Health Insurance Offer and Coverage*: Issued only by employers with 50 or more full-time employees

Form 1095-C **Employer-Provided Health Insurance Offer and Coverage** VOID CORRECTED OMB No. 1545-2211

Department of the Treasury Internal Revenue Service

Information about Form 1095-C and its separate instructions is at www.irs.gov/1095c.

Part I Employee **Applicable Large Employer Member (Employer)**

1 Name of employee 2 Social security number (SSN) 7 Name of employer 8 Employer identification number (EIN)

3 Street address (including apartment no.) 9 Street address (including room or suite no.) 10 Contact telephone number

4 City or town 5 State or province 6 Country and ZIP or foreign postal code 11 City or town 12 State or province 13 Country and ZIP or foreign postal code

Part II Employee Offer and Coverage

14 Offer of Coverage (enter required code)

All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec

15 Employee Share of Lowest-Cost Monthly Premium, for Self-Only Minimum Value Coverage

All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

16 Applicable Section 4980H Rate (enter code, if applicable)

Part III Covered Individuals

If Employer provided self-insured coverage, check the box and enter the information for each covered individual.

(a) Name of covered individual(s)	(b) SSN	(c) DOB (if SSN is not available)	(d) Covered all 12 months	(e) Months of Coverage												
				Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	
17			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 60706M Form 1095-C (2015)

1095-B, *Health Coverage*: Information on Coverage issued by Medicaid, Medicare, insurers, and others

Form 1095-B **Health Coverage** VOID CORRECTED OMB No. 1545-2252

Department of the Treasury Internal Revenue Service

Do not attach to your tax return. Keep for your records.

Go to www.irs.gov/Form1095B for instructions and the latest information.

Part I Responsible Individual

1 Name of responsible individual-First name, middle name, last name 2 Social security number (SSN or other TIN) 3 Date of birth (if SSN or other TIN is not available)

4 Street address (including apartment no.) 5 City or town 6 State or province 7 Country and ZIP or foreign postal code

8 Enter letter identifying Origin of the Health Coverage (see instructions for codes): . . . [C] 9 Reserved

Part II Information about Certain Employer-Sponsored Coverage (see instructions)

10 Employer name 11 Employer identification number (EIN)

12 Street address (including room or suite no.) 13 City or town 14 State or province 15 Country and ZIP or foreign postal code

Part III Issuer or Other Coverage Provider (see instructions)

16 Name 17 Employer identification number (EIN) 18 Contact telephone number

MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES MSA 38-6000134

19 Street address (including room or suite no.) 20 City or town 21 State or province 22 Country and ZIP or foreign postal code

P O BOX 30479 LANSING MI 48909

Part IV Covered Individuals (Enter the information for each covered individual.)

(a) Name of covered individual(s) First name, middle initial, last name	(b) SSN or other TIN	(c) DOB (if SSN or other TIN is not available)	(d) Covered all 12 months	(e) Months of coverage												
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
23			<input checked="" type="checkbox"/>	<input type="checkbox"/>												

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 60704B Form 1095-B (2020)

Premium Tax Credit - PTC

Form 1095-A		Health Insurance Marketplace Statement		<input type="checkbox"/> VOID	OMB No. 1545-0022
Department of the Treasury Internal Revenue Service		Do not attach to your tax return. Keep for your records. Go to www.irs.gov/Form1095A for instructions and the latest information.		<input type="checkbox"/> CORRECTED	2021
Part I Recipient Information					
1 Marketplace identifier 12-3456789		2 Marketplace-assigned policy number 987654		3 Policy issuer's name	
4 Recipient's name CYNTHIA SIMON		5 Recipient's SSN 419-00-XXXX		6 Recipient's date of birth 2/24/1992	
7 Recipient's spouse's name		8 Recipient's spouse's SSN		9 Recipient's spouse's date of birth	
10 Policy start date 01/01/2021		11 Policy termination date 12/31/2021		12 Street address (including apartment no.) 159 ARCHER AVENUE	
13 City or town YOUR CITY		14 State or province YOUR STATE		15 Country and ZIP or foreign postal code ZIP	
Part II Covered Individuals					
A. Covered individual name		B. Covered individual SSN	C. Covered individual date of birth	D. Coverage start date	E. Coverage termination date
16 CYNTHIA SIMON		419-00-XXXX	2/24/1992	01/01/2021	12/31/2021
17					
18					
19					
20					
Part III Coverage Information					
Month	A. Monthly enrollment premiums	B. Monthly second lowest cost silver plan (SLCSP) premium	C. Monthly advance payment of premium tax credit		
21 January	\$200	\$330	\$150		
22 February	\$200	\$330	\$150		
23 March	\$200	\$330	\$150		
24 April	\$200	\$330	\$150		
25 May	\$200	\$330	\$150		
26 June	\$200	\$330	\$150		
27 July	\$200	\$330	\$150		
28 August	\$200	\$330	\$150		
29 September	\$200	\$330	\$150		
30 October	\$200	\$330	\$150		
31 November	\$200	\$330	\$150		
32 December	\$200	\$330	\$150		
33 Annual Totals	\$2,400	\$3,960	\$1,800		
For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.					
			Cat. No. 60703G		Form 1095-A (2021)

Forms for PTC

Form **8962** **Premium Tax Credit (PTC)** OMB No. 1545-0074
 Department of the Treasury Internal Revenue Service **2020** Attachment Sequence No. 73
 Name shown on your return: **DONALD DUCK** Your social security number: **XXX-XX-6915**
 Attach to Form 1040, 1040-SR, or 1040-NR. Go to www.irs.gov/Form8962 for instructions and the latest information.

You cannot take the PTC if your filing status is married filing separately unless you qualify for an exception. See instructions. If you qualify, check the box .

Part I Annual and Monthly Contribution Amount

1	Tax family size. Enter your tax family size. See instructions.	1	1
2a	Modified AGI. Enter your modified AGI. See instructions.	2a	16125
b	Enter the total of your dependents' modified AGI. See instructions.	2b	
3	Household income. Add the amounts on lines 2a and 2b. See instructions.	3	16125
4	Federal poverty line. Enter the federal poverty line amount from Table 1-1, 1-2, or 1-3. See instructions. Check the appropriate box for the federal poverty table used. a <input type="checkbox"/> Alaska b <input type="checkbox"/> Hawaii c <input checked="" type="checkbox"/> Other 48 states and DC	4	12490
5	Household income as a percentage of federal poverty line (see instructions)	5	129%
6	Did you enter 401% on line 5? (See instructions if you entered less than 100%.) <input checked="" type="checkbox"/> No. Continue to line 7. <input type="checkbox"/> Yes. You are not eligible to take the PTC. If advance payment of the PTC was made, see the instructions for how to report your excess advance PTC repayment amount.		
7	Applicable figure. Using your line 5 percentage, locate your "applicable figure" on the table in the instructions.	7	0.0206
8a	Annual contribution amount. Multiply line 3 by line 7. Round to nearest whole dollar amount.	8a	332
b	Monthly contribution amount. Divide line 8a by 12. Round to nearest whole dollar amount.	8b	28

Part II Premium Tax Credit Claim and Reconciliation of Advance Payment of Premium Tax Credit

9 Are you allocating policy amounts with another taxpayer or do you want to use the alternative calculation for year of marriage? See instructions.
 Yes. Skip to Part IV, Allocation of Policy Amounts, or Part V, Alternative Calculation for Year of Marriage. No. Continue to line 10.

10 See the instructions to determine if you can use line 11 or must complete lines 12 through 23.
 Yes. Continue to line 11. Compute your annual PTC. Then skip lines 12-23 No. Continue to lines 12-23. Compute your monthly PTC and continue to line 24.

Annual Calculation	(a) Annual enrollment premiums (Form(s) 1095-A, line 33A)	(b) Annual applicable SLCR premium (Form(s) 1095-A, line 33B)	(c) Annual contribution amount (line 8b)	(d) Annual maximum premium assistance (subtract (c) from (b); if zero or less, enter -0-)	(e) Annual premium tax credit allowed (greater of (d) or (c))	(f) Annual advance payment of PTC (Form(s) 1095-A, line 33C)	
11 Annual Totals	2400	3960	332	3628	2400	1800	
Monthly Calculation	(a) Monthly enrollment premiums (Form(s) 1095-A, lines 21-32, column A)	(b) Monthly applicable SLCR premium (Form(s) 1095-A, lines 21-32, column B)	(c) Monthly contribution amount (amount from line 8b or alternative marriage monthly calculation)	(d) Monthly maximum premium assistance (subtract (c) from (b); if zero or less, enter -0-)	(e) Monthly premium tax credit allowed (greater of (d) or (c))	(f) Monthly advance payment of PTC (Form(s) 1095-A, lines 21-32, column C)	
12 January							
13 February							
14 March							
15 April							
16 May							
17 June							
18 July							
19 August							
20 September							
21 October							
22 November							
23 December							
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	2400
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	1800
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), line 8. If line 24 equals line 25, enter -0-. Stop here. If line 25 is greater than line 24, leave this line blank and continue to line 27						26	600

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

28 Repayment limitation (see instructions)

29 Excess advance premium tax credit repayment. Enter the smaller of line 27 or line 28 here and on Schedule 2 (Form 1040), line 2

SCHEDULE 3 (Form 1040) Additional Credits and Payments OMB No. 1545-0074
 Department of the Treasury Internal Revenue Service **2020** Attachment Sequence No. 03
 Attach to Form 1040, 1040-SR, or 1040-NR. Go to www.irs.gov/Form1040 for instructions and the latest information.

Name(s) shown on Form 1040, 1040-SR, or 1040-NR: **DONALD DUCK** Your social security number: **XXX-XX-6915**

Part I Nonrefundable Credits

1	Foreign tax credit. Attach Form 1116 if required	1
2	Credit for child and dependent care expenses. Attach Form 2441	2
3	Education credits from Form 8863, line 19	3
4	Retirement savings contributions credit. Attach Form 8880	4
5	Residential energy credits. Attach Form 5695	5
6	Other credits from Form: a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/>	6
7	Add lines 1 through 6. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 20	7

Part II Other Payments and Refundable Credits

8	Net premium tax credit. Attach Form 8962	8	600
9	Amount paid with request for extension to file (see instructions)	9	
10	Excess social security and tier 1 RRTA tax withheld	10	
11	Credit for federal tax on fuels. Attach Form 4136	11	
12	Other payments or refundable credits:		
a	Form 2439	12a	
b	Qualified sick and family leave credits from Schedule(s) H and Form(s) 7202	12b	
c	Health coverage tax credit from Form 8885	12c	
d	Other: _____	12d	
e	Deferral for certain Schedule H or SE filers (see instructions)	12e	
f	Add lines 12a through 12e	12f	
13	Add lines 8 through 12f. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 31	13	600

Premium Tax Credit - PTC

- Tax return entries will reconcile what they received versus what they are entitled to based on changes in the tax return vs. what was estimated when the client went to the marketplace
- Difference in Premium Tax Credit can be due to
 - Changes in marital status, dependents
 - Changes in income
 - Loss of other health coverage
 - Changes in filing status

Premium Tax Credit - PTC

- If there is a difference in PTC, review should be done to make sure all entries are done correctly
- See Site Coordinator with questions on unusual circumstances
- Part 4, Allocation of Policy Amounts, and Part 5, Alternative Calculation in Year of Marriage, of Form 8962 are still out of scope

Thank you for your participation in this presentation!

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