

TAXWISE (2009) CHEAT SHEET

(Contributed by: Donald Rogers)

DC = Day Care - up to 13 yrs

CTC = Child Tax Credit - up to 17 yrs on Dec 31, 2009

EIC = always check EIC column for children (up to 19 yrs or 24 if full-time student)
Only 3 dependents qualify for EIC.

1098-E = Student Loan Interest - 1040 Wkt 2 or link from 1040 Ln 33 - [**F9**]

1098-T = Tuition Statement - 1040 pg 2 Ln 49 - [**F9**] (Form 8863)

Education = American Opportunity = first 4 yrs of school toward degree (Hope Credit expanded)
- enrolled at least half time
- **max 2500 credit** (on 4000 expense) [*original Hope max 1800 credit (on 2400 expense)*]

Lifetime = any years

- 1 or more courses
- pursuing degree or improving job skills
- **2000 max credit** (on 10000 expense)

1099-A = Acquisition or Abandonment of Secured Property (Home Only) = Do NOT proceed - see local coordinator

1099-B = Proceeds from Broker Transactions - Enter on Cap Gn Wkt (on tree below Sch D)
If **gross proceeds** reported – add commissions and fees to basis before entering
I = Inherited V = Various purchase dates

1099-C = Cancellation of Debt (Home Only) = Do NOT proceed - see local coordinator

1099-DIV = Dividends - Enter on Dividend Stmt (on tree below Sch B)

Qualified Dividend: Stock held (or in a fund) for more than 60 days during the 121 day period that begins 60 days before the dividend date.

1099-G = Unemployment Compensation - 1040 pg 1 Ln 19 - [**F9**]
= State Refunds (only if itemized last year) - 1040 pg 1 Ln 10 - [**F9**]

1099-INT = Interest - Enter on Interest Stmt (on tree below Sch B)

- **Box 1 and/or 3** - Add amounts and enter under Box 1 Amount
- **Box 8 - exempt from Fed & State** (Municipal/Turnpike) - put E under NAE column and enter amount under NAE OB amount column — **Do Not include Under Box 1 Amount**
- **if only exempt from KS** (ie. Savings Bonds) - enter as minus (-) from state and show amount
- *KPERS may be tax-free* IF received distribution from lump sum

1099-MISC = **Box 1 or 2** - Rent or Royalties - use Sch E (EXCEPT: Pasture Rent put on Form 4835)

For Oil Royalties – Ln 20 depletion is 15% (.15) of Royalty income

For Natural Gas – Ln 20 depletion is 22% (.22) (depletions from IRS Pub 535)

Box 3

Per-capita Tribal money - 1040 pg 1 Ln 21 - [**F9**] — use drop-down to enter "**Tribal Per capita**"

Jury Pay - 1040 pg 1 Ln 21 - [**F9**] — use drop-down to enter "**Jury Pay**"

Box 7 - report on C-EZ

1099-OID = Treat as regular interest - Enter on Interest Stmt (on tree below Sch B)

1099 R = *Fed employees* (CSA 1099), *KPERS & TIAA/CREF* check Box 1 to NOT tax in KS

- **Railroad Retirement** (Tier 2) mark "Railroad Retirement" to NOT tax in KS (income in box 7)
- need exclusion amt OR do *simplified method using* Box 3 and ages of taxpayer(s)
- for code "3" check **Disability** box if person is < 62 (not minimum retirement age)
- for code "G" (direct IRA rollover) go to 1040 Ln 15b ...
click into box "*F9 to explain*" and press [**F9**] and note where the rollover went

1099-RRB = Railroad Retirement (Tier 1) - same as Social Security - 1040 Wkt 1 (use box 5 & 10)

1099-SSA = Social Security - use 1040 Wkt 1 (use Box 5 plus Medicare Parts A & D)
or link from 1040 pg 1 Ln 20 - **[F9]**

C-EZ = Small Business - Business code can be 999999...but should be entered from 1040 instructions pg C-9
- Include any courses related to work (*generally better here than other education locations*)
- **Add mileage back into expenses** (not automatically transferred)

Child Care Expenses = Form 2441 [*expenses up to age 13...if 13 in 2009 only amount before birthday*]

Estimated Tax = 1040 pg 2 Ln 63 - **[F9]** - *Have all payments been made?*

Energy Credit (Residential) = Add Form 5695 (Residential Energy Credits - Pg 1) [**non-refundable**]
Ln 2(a) - 2(d) can not include installation **max credit = 1500** on 5000 expense
Ln 3(a) - 3(c) can include installation for combined 2009 & 2010 tax years

Excess Social Security = if multiple jobs income > 106,800 ... THEN total SS tax must be < 6622,
otherwise *claim credit for excess withheld*

First Time Home Buyer = 1040 pg 2 Ln 67 - **[F9]** (or add Form 5405)

IRA (Pub 590) = Traditional = 5000 (6000 if 50 or older) - *max income* 65,000 single/109,000 married
= Roth = same - *max income* 120,000/176,000 (Different values apply if NO retirement plan at work)

K-1 = Income reported on Schedule K-1 (transfers to) within the scope of VITA/TCE includes: *Add form "KI P/S"*

Interest income on Ln 5 (Sch B) Net long-term capital gains and losses on Ln 9a (Sch D)
Dividend income on Ln 6a/b (Sch B) Tax-exempt interest income on Ln 18a (Form 1040, line 8b)
Net short-term capital gains and losses Ln 8 (Sch D)

KS Food Sales Tax = \$ 84/exemption for *household income* < \$ 15950...\$ 41/exemption for \$ 15951 - 31900
born before 1/1/1955 OR blind/disabled OR have dependent child born before 1/1/2009 and < 18 on Dec 31

KS Homestead = Full-year resident, *total household income* < \$ 31300, and
born before 1/1/1955 OR blind/disabled OR have dependent child born before 1/1/2009 and < 18 on Dec 31

Sch RNT = Homestead Exception Rent form - Heat = 5 months; A/C = 3 months
Common Utilities = \$ 1370 from Stove, Refrig, Heat, Elec, A/C & Cable

If on SS disability prior to 65 ... then can still exclude SS from income for Homestead.

New Car Purchase (aft 02/16) = use Sales Tax [KS] worksheet ... on tree below Sch A. Sales tax on Ln 8a and Price on 8b

Schedule A = sales tax vs income tax - uses KS = 5.30 % and Local = 2.65 % (already on form)

Splitting a Child's Credit = non-custodial parent can't get EIC or DC, only CTC and Dependent exemption

Standard Deduction = 5700 = (7100) Single or Married filing separate
11400 = (13600) Married Joint or Qualifying widow(er) with child
8350 = (9750) Head of household

Stock Options (Non-Statutory or Non-Qualified) == listed in box 12 on W-2 as "V" - use Sch D Cap Gn Wkt
to enter expenses associated with sale (commission/fee/etc.) by showing box 12 as
Sale price while the Basis price will be Sale price PLUS expenses

W2-G = Certain Gambling Winnings - 1040 pg 1 Ln 21 - **[F9]** — use drop-down to enter "**Gambling Winnings**"

Ages vs Year Born = 13 = 1996 17=1992 19=1990 24=1985

TaxWise Function keys = **F1** = Help **F3** = Remove red boxes **F5** = Calculator **F7** = Refund estimate
F8 = Override **F9** = link to new forms **alt-insert** = insert line **alt-delete** = delete line