



TAX YEAR 2020 ANNUAL SEMINAR



2020 Tax Updates

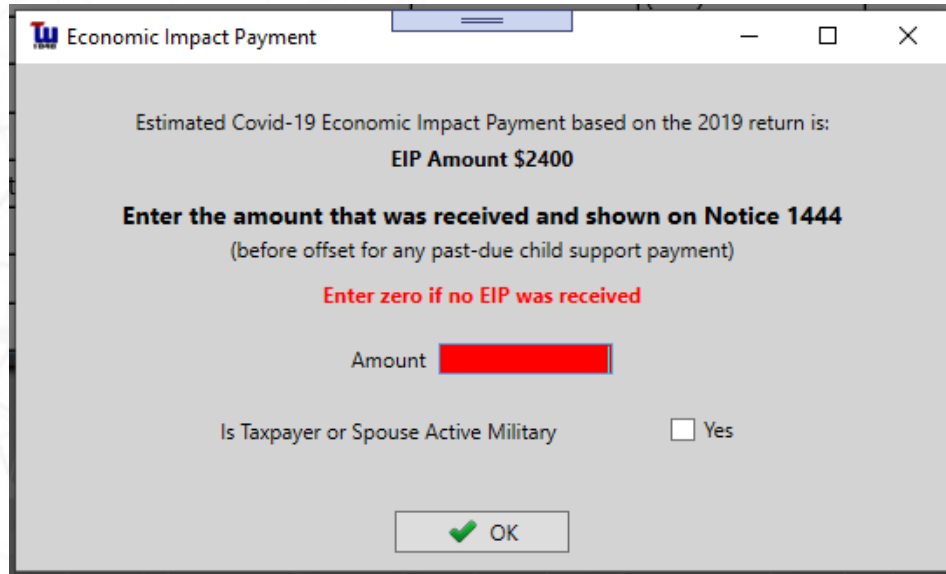
Topics covered in this section:

- **Recovery Rebate Credit**
- **Charitable Contributions**
- **SE Tax Payment Extension**
- **IRA Changes**
- **Retirement Distributions**
- **7202 Credit for SE Sick & Family leave**
- **1099 NEC**
- **Spanish Forms and Sch LEP**
- **E-file 1040X**

Recovery Rebate Credit

- Recovery Rebate Credit is associated with the Covid-19 Economic Impact Payment (EIP)
- Refundable Credit for those that did not get the full amount of the EIP or conditions changed.
- Computation is based on 2020 Income, Filing Status and number of eligible dependents.
- Credit is reduced by the EIP already received by taxpayers and reported on Notice 1444.
- No paybacks.
- The Majority of taxpayers have probably received the max.
- Examples of Taxpayers that will see the refundable credit.
 - Taxpayers who did not need to file a 2018 or 2019 return and did not receive SS benefits.
 - Taxpayers whose income was above the threshold in 2018 and/or 2019 and the income dropped in 2020
 - Taxpayers who did not receive payment for eligible children.

Recovery Rebate Credit



Economic Impact Payment

Estimated Covid-19 Economic Impact Payment based on the 2019 return is:
EIP Amount \$2400

Enter the amount that was received and shown on Notice 1444
(before offset for any past-due child support payment)

Enter zero if no EIP was received

Amount

Is Taxpayer or Spouse Active Military ☐ Yes

- *Estimated* , EIP will be calculated on returns that were recalled from prior year.
- Enter amount before offset for any past-due child support payment.
- You **MUST** enter an amount or a ZERO.
- If Taxpayer and Spouse received separate payments, total amount should be entered.

Charitable Contributions

- 2020 taxpayers can take a deduction of up to \$300 of Cash contributions in addition to the Standard deduction if they do not Itemize.
- Data entry is done within the Schedule A, and the program will automatically carry the Charitable contributions to line 10b of Form 1040, when appropriate.
- 60% limit on Charitable contributions is suspended for 2020.

<ul style="list-style-type: none"> • Married filing jointly or Qualifying widow(er), \$24,800 • Head of household, \$18,650 • If you checked any box under Standard Deduction, see instructions. 	10	Adjustments to income:		
	[10]	From Schedule 1, line 22	10a	71
	[11]	Charitable contributions if you take the standard deduction. See instructions	10b	300
	c	Add lines 10a and 10b. These are your total adjustments to income	10c	371
	11	Subtract line 10c from line 9. This is your adjusted gross income	11	4,629
	[12]	Standard deduction or itemized deductions (from Schedule A)	12	12,400
	[13]	Qualified business income deduction. Attach Form 8995 or Form 8995-A	13	
	14	Add lines 12 and 13	14	12,400
	15	Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-	15	
		16	Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/>	16
	[17]	Amount from Schedule 2, line 3	17	

Charitable Contributions

Sch A Contributions		
[49] Contributions by cash or check (60%)		4,250
[50] Contributions by cash or check (30%)		
Contributions from K-1's		
[51] Other than cash (8283)	...	
[52] Other than cash < \$500		
[53] Carryovers (60%)		
[54] Carryovers (30%)		
[55] Carryovers (Special 30%)		
[56] Carryovers (20%)		
[57] Church		
[58] United Way		850
[59] Red Cross/March of Dimes		
[60] Miscellaneous organized charity		
[61] Transportation Miles		

Deductible Cash Contributions if Not Itemizing		
	Calculated Amt.	Override
	300	

	Description	Amount
[62]	Other-1	
[63]	Other-2	
[64]	Other-3	
[65]	Fed only	
[66]	State only	
[67]	Other Contrib. Overflow	...

Self Employment Tax Postpone

- Self Employed individuals can postpone a portion of SE tax.
- The postponement is reported as a Refundable Credit on Schedule 3
- Postponement is only for the employer portion equivalent of Social Security 6.2%
- Repayments will be made equally in 2021 and 2022.

Schedule SE (Form 1040) 2020

Attachment Sequence No. **17**

Page **2**

Part III Maximum Deferral of Self-Employment Tax Payments

If line 4c is zero, skip lines 18 through 20, and enter -0- on line 21.

18	Enter the portion of line 3 that can be attributed to March 27, 2020, through December 31, 2020 . . .	18	1,000
19	If line 18 is more than zero, multiply line 18 by 92.35% (0.9235); otherwise, enter the amount from line 18 . . .	19	924
20	Enter the portion of lines 15 and 17 that can be attributed to March 27, 2020, through December 31, 2020 . . .	20	
21	Combine lines 19 and 20 . . .	21	924
If line 5b is zero, skip line 22 and enter -0- on line 23.			
22	Enter the portion of line 5a that can be attributed to March 27, 2020, through December 31, 2020 . . .	22	
23	Multiply line 22 by 92.35% (0.9235) . . .	23	
24	Add lines 21 and 23 . . .	24	924
25	Enter the smaller of line 9 or line 24 . . .	25	924
26	Multiply line 25 by 6.2% (0.062). Enter here and see the instructions for line 12e of Schedule 3 (Form 1040) . . .	26	57

Schedule SE (Form 1040) 2020

IRA & Retirement Distribution Changes

- Required Minimum Distribution (RMD) not required in 2020
- RMD starting age is now 72 (used to be 70 1/2)
- Beginning 2020 taxpayers may contribute to an IRA beyond age of 70 1/2
- Distributions up to \$5,000 used for child birth or adoption not subject to 10% penalty (use "Other" on 5329 Code 12)
- Distributions up to \$100,000 related to Covid-19 not subject to 10% penalty -or- can be treated as loan if repaid within 3 years. (use exception "Other" on 5329 Code 12)
- Covid-19 retirement distribution taxable amount can be spread out over 3 years.
- May need to file Form 8915-E, which is currently not available by the IRS to E-file. Form currently not available.
- <https://www.irs.gov/newsroom/coronavirus-related-relief-for-retirement-plans-and-iras-questions-and-answers>

Form 7202

- Form 7202 “Credit for Sick Leave and Family Leave for Certain Self-Employed Individuals”
 - Self employed individuals may be eligible if they were unable to work because they had Covid-19 or they needed to care for someone that has/had Covid-19.
 - Credit will carry to Schedule 3 Part II as refundable credit.

Form 7202		Credits for Sick Leave and Family Leave for Certain Self-Employed Individuals		OMB No. 1545-0074	
Department of the Treasury Internal Revenue Service		▶ Attach to Form 1040 or 1040-SR. ▶ Go to www.irs.gov/Form7202 for instructions and the latest information.		2020 Attachment Sequence No. 202	
Name of person with self-employment income (as shown on Form 1040 or 1040-SR)				Social security number of person with self-employment income	
Part I Credit for Sick Leave for Certain Self-Employed Individuals					
1	Number of days you were unable to perform services as a self-employed individual because of certain coronavirus-related care you required. See instructions				1
2	Number of days you were unable to perform services as a self-employed individual because of certain coronavirus-related care you provided to another. (Do not include days you included in line 1.) See instructions				2
3	If you are filing a fiscal year return, see instructions; otherwise enter 10				3
4	Enter the smaller of line 1 or line 3				4
5	Subtract line 4 from line 3				5
6	Enter the smaller of line 2 or line 5				6
7	Net earnings from self-employment (see instructions)				7
8	Divide line 7 by 260 (round to nearest whole number)				8
9	Enter the smaller of line 8 or \$511				9
10	Multiply line 4 by line 9				10

Form 1099 NEC

- New Form 1099 NEC will replace 1099 Misc that had “Non Employee compensation” box.
 - Taxware has added 1099NEC Input to gather information similar to the 1099Misc but neither Forms will not be included in E-file Record (IRS does not have a provision to include this info like they do for the W-2 and 1099R forms)
 - Located in either Other Income section or W-2 - 1099R menu.

<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED	
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.	
OMB No. 1545-0116 2021 Form 1099-NEC	
PAYER'S TIN	RECIPIENT'S TIN
1 Nonemployee compensation \$	
2 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input type="checkbox"/>	
3	
Street address (including apt. no.)	
4 Federal income tax withheld \$	
City or town, state or province, country, and ZIP or foreign postal code	
Account number (see instructions)	5 State tax withheld \$
	6 State/Payer's state no.
	7 State income \$

Form **1099-NEC** www.irs.gov/Form1099NEC Department of the Treasury - Internal Revenue Service

Nonemployee Compensation
Copy 1
For State Tax Department

Spanish Language Forms and Sch LEP

- Limited Forms available in Spanish Language
 - 1040 / 1040SR , Schedules 1-3, Form 8812 and Sch EIC
 - Spanish forms will print when “Change in Language Preference” – Spanish is selected.
 - Selection will be stored with each client, but a Default can be set in Defaults Screen.
- Schedule LEP
 - Used to tell IRS what is the Taxpayer’s preferred language used when sending correspondence and notices.
 - Not guaranteed that taxpayers will get correspondence in selected language, but will also be used as IRS chooses to add additional languages to forms and instructions.
 - Will be E-filed.

Preparer, ERO, and Other Selections

[35] In Care Of Name

[36] Depreciation File Name

[37] Change in Language Preference

... Spanish

[38] Taxpreparer Assigned

... 2-Walter Orchid

[39] ERO Assigned

... 1-TAXWARE SYSTEMS INC

[40] Tax Return Status

... Information Pending

[41] Change Assigned User

...

1040X E-file

- E-File 1040X available for 2019 and 2020 returns.
- When an amended return is filed, the IRS will receive both the Form 1040-X and the complete corrected 1040 return.
- Based on information provided by IRS for 2019 amended returns, the same conditions will likely apply in 2020:
 - Refunds will be issued by paper check, not through direct deposit.
 - The return being amended must have been electronically filed.
 - The filing status on the amended return must match the filing status on the original return.
 - The primary and secondary TIN on the amended return must match the primary and secondary TIN on the original return.
 - A dependent claimed on someone else's return cannot be claimed on the amended return.

1040X Amended U.S. Individual Income Tax Return	
[01] Do you want to E-file this 1040X?	<input type="checkbox"/> Yes
[02] Year of return being amended	2020
[03] Method used to figure tax	TABLE - Tax Table

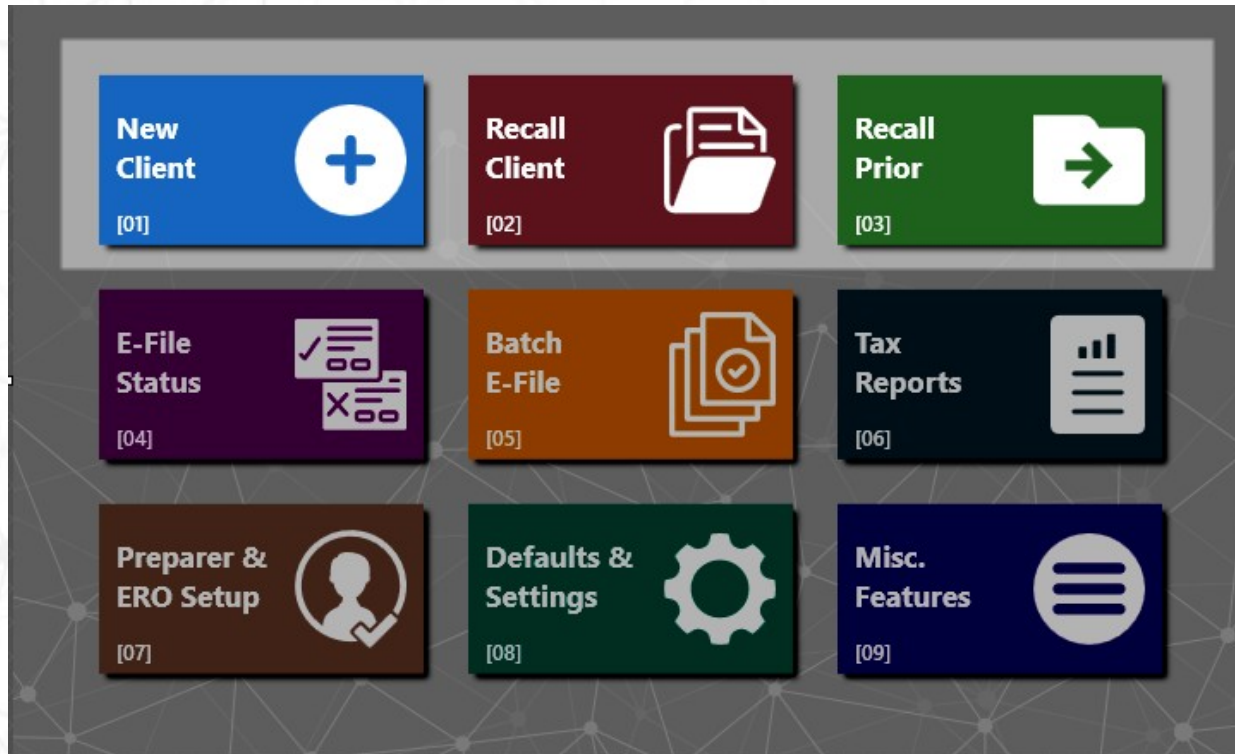


Preparing a Return

Topics covered in this section:

- **Starting a client**
- **Basic Information**
- **Program Flow Overview**
- **Wage Statements**
- **Lettered Schedules**
- **Other Income, Adjustments & Payments**
- **American Opportunity Credit**
- **EIC, 8867, Due Diligence and DOB**
- **ACA Wizard**

Starting Returns



- **New Client**
- **Recall Prior**
- **Recall Current**
- **Client ID Importance and Overwriting**

Recall Client

New Client

Reconstruct

Get Acks

Edit Client Grid

Current PathD:\Taxware\SettingsAndData\Wintax20\ClientData\20data

Prior PathD:\Taxware\19Wintax\19Data

Search Fields

[01] Client ID

[02] Full Names

[03] Taxpayer SSN

[04] Home Phone

[05] Date Return Started

Client Type

CURRENT

PRIOR

ALL

E-File Status

ACCEPTED

NO E-FILE

REJECTED

NO STATUS

AWAITING ACK

NOT ACCEPTED

ON EXTENSION

ALL

Preparer Filter

ALL

Client Recall

Pressing [F2] after highlighting a client will bring up the expanded information window.

Client ID	Full Names	Taxpayer SSN	Home Phone	Return Status	E-File Status	Prior Year Unpaid Bill	Bill Balance Due	Date Return Started
1	person, test	555-00-4545		Information Pendi	Accepted	0.00	0.00	10-06-2020
2	Johnson, Bob	555-00-2525		Information Pendi		0.00	0.00	11-16-2020
4	HILL, ROBERT & CONNIE	333-00-0004		Information Pendi		0.00	0.00	11-13-2012
5	DOTRIVE, WILLIAM D	333-00-0005		Information Pendi		0.00	0.00	11-13-2012
7	person, tewst	555-12-4444		Information Pendi		0.00	0.00	12-03-2020
9	PERSON, MetaBank	555-00-8999	(909) 555-1213	Information Pendi		235.00	0.00	12-04-2020
10	Heather, Lynette	400-00-9035	(909) 555-8888	Information Pendi		36.00	0.00	12-04-2020
11	GardeniaRCB, Sam & Gloria Jones	400-00-9038	(909) 555-1212	Information Pendi		135.00	0.00	12-07-2020
12	Magnolia, Susan	400-00-9032	(909) 931-5454	Information Pendi		99.00	0.00	12-07-2020
13	ARkansas, test & Wife	545-22-8787		Information Pendi		99.00	0.00	12-07-2020
14	Peony, David	400-00-1036		Information Pendi		99.00	0.00	12-07-2020
15	forteststuff, test	555-11-6666		Information Pendi		99.00	0.00	12-07-2020

Basic Information

Navigation

- 1040 Line Input** [01]
- Forms & Schedules** [02]
- Summary** [03]
- Exit Return** [04]

Basic Information [05] Preparation Date: 12-08-2020

Taxpayer Information

[06] Filing Status: ☐ Married Joint
[07] First Name: ROBERT Middle Initial: Last Name: HILL Suffix:
[08] SSN: 333-00-0004 [09] Date of Birth: 07-04-1976 Age: 44
[10] Occupation: WORKER [11] Taxpayer Blind? ☐ Yes

Spouse Information

[12] First Name: CONNIE Middle Initial: Last Name: HILL Suffix:
[13] SSN: 333-00-0024 [14] Date of Birth: 08-15-1977 Age: 43
[15] Occupation: [16] Spouse Blind? ☐ Yes Claimed as dependent on another return? ☐ Yes

Address Information

[17] Address: 123 MAIN STREET Apartment:
[18] City: ST PAUL State: MN Zip: 55146
[19] Address Change? ☐ Yes [20] Address Type: ☐ Domestic
[21] County Name: County Code:
[22] School District Name: School District Code:

Contact / License Information

[23] Phone numbers, Driver's License, Protection PIN
Daytime Phone: Work Phone: Home Phone:

Dependent Information

[24] Add [25] Change/Delete [26] Restore

First Name	M.I.	Last Name	Suffix	Age	Birth Date	SSN	Relationship	Months Home
WILLIAM		HILL		10	10-31-2009	325-00-0034	SON	12
JANE		HILL		0	01-02-2019	325-00-1234	DAUGHTER	12

- **SSN, Address, and School Codes**
- **License and IP PIN**
- **Dependent Information**
- **Special Filing Categories**
- **Preparer, ERO, and Status**
- **Depreciation File Name**

Program Flow

Navigation

- 1040 Line Input
[01] 1040 Line Input
- Forms Schedules
[02] Forms and Schedules
- Summary
[03] Summary Page
- Exit Return
[04] Exit This Return

Basic Information [05] Preparation Date 03-05-2019

Taxpayer Information

[06] Filing Status ☐ Single
[07] First Name Louise Middle Initial M Last Name Zirkler Suffix
[08] SSN 561-84-9133 [09] Date of Birth 10-03-1950 Age 68
[10] Occupation Office Manager [11] Taxpayer Blind? ☐ Yes

Address Information

[17] Address 209 N Singingwood Apartment 3
[18] City Orange State CA Zip 92869
[19] Address Change? ☐ Yes [20] Address Type ☐ Domestic
[21] County Name Orange County Code
[22] School District Name School District Code

Contact / License Information

[23] Phone numbers, Driver's License, Protection PIN
Daytime Phone (949) 752-0590 Work Phone (949) 752-0590 Home Phone (714) 532-0849

Dependent Information

[24] Add [25] Change/Delete [26] Restore

First Name	M.I.	Last Name	Suffix	Age	Birth Date	SSN	Relationship	Months Home
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- Basic Information
- Line Input or Forms/Schedules
- Summary Menu
 - Validation
 - Bank Products
 - E-File

Line Input vs Form/Schedules

The screenshot displays the '1040 Line Input' software interface. The main window is divided into several sections:

- Left Panel:** Contains a 'Forms/Schedules Used' list on the left and a 'Total' summary on the right. The summary shows: Total Income (5,000), AGI (4,629), Itemized Deduction (855), Standard Deduction (12,400), Taxable Income (0), Tax (0), Credits (5), Total Tax (142), Total Payments (2,907), and Refund (2,765).
- Main Input Area:** Labeled '[51] Basic Info', it contains a table for entering tax data. The table has columns for line numbers, descriptions, and input fields. The data entered includes: Line 1 (Wages, salaries, tips, etc. Attach Form(s) W-2) with value 5,000; Line 10a (Adjustments to income) with value 300; Line 10b (Charitable contributions) with value 371; Line 11 (Subtract line 10c from line 9. This is your total adjustments to income) with value 4,629; Line 12 (Standard deduction or itemized deductions (from Schedule A)) with value 12,400; Line 13 (Qualified business income deduction. Attach Form 8995 or Form 8995-A) with value 12,400; Line 14 (Add lines 12 and 13) with value 12,400; Line 15 (Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-) with value 0; Line 16 (Tax (see instructions). Check if any from Form(s): 1 8814 2 4972 3) with value 0; Line 17 (Amount from Schedule 2, line 3) with value 0; Line 18 (Add lines 16 and 17) with value 0; Line 19 (Child tax credit or credit for other dependents) with value 0; Line 20 (Amount from Schedule 3, line 7) with value 0; Line 21 (Add lines 19 and 20) with value 0; Line 22 (Subtract line 21 from line 18. If zero or less, enter -0-) with value 0; Line 23 (Other taxes, including self-employment tax, from Schedule 2, line 10) with value 142; Line 24 (Add lines 22 and 23. This is your total tax) with value 142; Line 25 (Federal income tax withheld from: a Form(s) W-2 b Form(s) 1099 c Other forms (see instructions) d Add lines 25a through 25c) with value 350; Line 26 (2020 estimated tax payments and amount applied from 2019 return) with value 2,500.
- Right Panel:** A 'Forms Search' panel with a search bar and a list of forms to search for, including: Schedule H (Household Employment), Schedule J (Farm Income Averaging), Schedule R (Elderly/Disabled Credit), Schedule SE (Self-Employment Income), Form 1116 (Foreign Tax Credit), Form 1310 (Deceased Refund), Form 2106 (Employee Bus. Expense), Form 2210/F (Underpayment Penalty), Form 2441 (Child/Dependent Care), Form 2555 (Foreign Earned Income), Form 2848 (Power of Attorney), Form 3800 (General Business Credit), Form 3903 (Moving Expenses), Form 4136 (Fuels Credit), Form 4137 (Unreported Tip Income), Form 4255 (Recapture Inv Credit), Form 4506 (Request for Copy), Form 4562 (Depreciation), Form 8822 (Change of Address), Form 8824 (Like Kind Exchanges), Form 8828 (Recapture Fed Mtg Sub), Form 8839 (Adoption Credit), Form 8846 (Employee Tips), Form 8853 (MSA Deduction), Form 8859 (DC First-Time Homebuyer), Form 8862 (EIC After Disallowance), Form 8863 (Education Credit), Form 8880 (Retirement Savings Credit), Form 8885 (Health Coverage Tax Credit), Form 8889 (Health Savings Accounts), Form 8903 (Domestic Production), Form 8910 (Alternative Vehicle Credit), Form 8917 (Tuition and Fees Ded), Form 8919 (Uncollected SS/Medicare), Form 8936 (Electric Vehicle Credit), Form 8038 (Foreign Financial Assets).

- Line Input
 - Follow the 1040
 - Line by Line
- Forms/Schedules
 - Enter Forms Directly
 - Enter Forms Without Line Input
- Forms Search In Either
- Forms Used In Either

Wage Statements

Recall Prior Year

[01] Add	[02] Change/Delete	[03] Scan a W-2	W2	W-2 (Standard)			
TP/SP	Payor Name	SDI/Equiv.	SS/Med WH	SWT	FWT	Federal Gross	State Gross
Taxpayer	CLARKSVILLE ELEMENTARY SCHOOL	0	382	0	350	5,000	5,000

[04] Add	[05] Change/Delete	1099R	1099R - Pension			
TP/SP	Payor Name	SWT	FWT	Federal Gross	Fed Taxable	RRB

[07] Add	[08] Change/Delete	1099R	1099R - IRA		
TP/SP	Payor Name	SWT	FWT	Federal Gross	Fed Taxable

[09] Add	[10] Change/Delete	W2	W-2G	
TP/SP	Payor Name	SWT	FWT	Federal Gross

[11] Add	[12] Change/Delete	1099M	1099-Misc	
TP/SP	Payor Name	SWT	FWT	Federal Gross

[13] Add	[14] Change/Delete	1099NEC	1099-NEC	
TP/SP	Payor Name	SWT	FWT	Federal Gross
Taxpayer		0	0	0

- **W-2s**
- **1099R**
- **W-2G**
- **1099-Misc**
- **1099-NEC**

Schedule A

Print Preview Notes [F4] View Prior

Current AGI 50,000 [01] Are all deductions joint if married? ☒ Yes

Medical Expenses 7.5% AGI (med limit) 3,750

Medical Allowed

Taxes 10,000

Interest

Gifts to Charity

Casualty Loss

Misc 2% Expenses

Less 2% AGI 1,000

Misc 2% Allowed

Other Misc.

Total Deductions 10,000

Itemized Limitation

Total Allowed 10,000

Sch A Medical

Description	Amount
[02] Medical insurance	
[03] Medicare premiums	
[04] SE health insurance	
[05] Medicine and drugs	
[06] Doctors, dentists, etc...	
[07] Hospitals	
[08] Transportation Miles	
[09] Therapy	
[10] Glasses etc...	
[11] Orthopedic devices	
[12] Nursing	
[13] Other-1	
[14] Other-2	
[15] Other-3	
[16] Other-4	
[17] Fed Only	
[18] State Only	
[19] Other medical overflow	

Sch A Taxes

[20] State & local income taxes 10,000

General Sales Tax- Lines 20-25 apply if using Optional State Sales Tax Table

[21] State where sales tax was paid CA State rate .0725

[22] State general sales tax rate (e.g. 7.5% = .075) (Override)

[23] Local general sales tax rate (e.g. .5% = .005)

[24] Optional local sales tax table (A, B, C or D)

[25] Nontaxable income (This amount will add to tax-exempt interest, nontaxable combat pay and nontaxable portion of social security benefits, IRAs and pensions)

- Medical
- Taxes
- Interest
- Contributions
 - 8283
- Miscellaneous

Schedule B

Print Preview Notes [F4] View Prior

SchB Interest and Dividends

[01] Add [02] Change/Delete [03] Recall Prior **Sch B Interest**

Payor	T/S/J	Federal Gross	State Gross	FWT	Type
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Taxable Interest - Federal [] Tax Exempt Interest - Federal []
Taxable Interest - State [] Tax Exempt Interest - State []

[04] Add [05] Change/Delete [06] Recall Prior **Sch B Dividends**





T/S/J	Payor	Federal Ordinary	State Ordinary	Fed Qual Div	State Qual Div	Fed Cap Gain	St Qual Div	FWT
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Dividend Income - Federal [] Dividend Income - State []
[07] Section 199A dividends []

Sch B Other Schedule B Items

- Interest
- Dividends
 - 199A Dividends

Schedule D

Print 	Preview 	Notes [F4] 	View Prior 
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[01] Add	[02] Change/Delete	Sch D	Transactions (Will Be Reported on Form 8949)
Description	Acquired	Sold	Sales Price Federal Cost State Cost Gain/Loss Status
<div style="display: flex;"> <div style="width: 20%; padding-right: 10px;"> Transaction Totals Total Sales <div style="background-color: black; height: 20px; width: 100%;"></div> Total Costs <div style="background-color: black; height: 20px; width: 100%;"></div> Total Adjustments <div style="background-color: black; height: 20px; width: 100%;"></div> Gain/Loss <div style="background-color: black; height: 20px; width: 100%;"></div> </div> <div style="flex-grow: 1;"></div> </div>			

Total of Transactions In Lieu of Reporting Individual Transactions On Form 8949

Reported on 1099-B for which basis was reported to IRS and no adjustments

	Sales Price	Cost	Gain or Loss	Spouse's Share
[03] Total for all short-term transactions				
[04] Total for all long-term transactions				

	Short Term Gain/Loss		Long Term Gain/Loss	
	Taxpayer	Spouse	Taxpayer	Spouse
[05] Home Sale				
(NOTE: This amount is normally carried from Pub 523. By entering an amount here you will override this automatic carryforward)				
[06] K-1s				
(NOTE: This amount is normally carried from another form/schedule entering an amount here you will override this automatic carryforward)				
[07] Loss Carry				

- **8949 Transactions**
 - **Adjustment Codes**
- **Summarized Transactions**

Other Inc/Adj/Payments

1040 Income	1040 Payments
[01] Additional wages	[19] Federal tax withheld 350
[02] Taxable state tax refunds	[20] 2020 Estimated Tax payments 2,500
[03] Alimony received	[21] Recovery Rebate Credit
[04] Date of original divorce or separation agreement	[22] Paid with extension
[05] Unemployment compensation	[23] Excess FICA and RRTA tax withheld
[06] Total social security benefits	[24] Regulated investment company credit
[07] Other Income	1040 Other
[08] Did you have any financial interest in any virtual currency? <input type="checkbox"/> Yes	[25] Overpayment to be applied to estimates (This option should only be used if not producing estimate coupons for 2021)
1040 Adjustments	[26] Additional tax
[09] Educator expenses	[27] Tax from recapture of education credit (ECR)
[10] Self-employed SEP and SIMPLE plans	[28] Other credit Form number
[11] Self-employed health insurance deduction	[29] Additional payment
[12] Penalty on early withdrawal of savings	[30] Interest included in payment
[13] Alimony Paid	[31] Penalties included in payment
[14] Traditional IRA contributions	
[15] Roth IRA contributions	
[16] Interest paid on student loans	
[17] Jury duty pay given to employer	
[18] Other adjustment	
Description	

- Income
 - Unemployment 1099-G
- Adjustments
 - Alimony
- Payments
 - Estimated Tax Payments
 - Recover Rebate Credit
- Other
 - Additional Tax/Payments
 - Interest & Penalties

Education Credits (8863)

Print Preview

	First Name and Initial	Last Name and Suffix	SSN	Qualified Expenses	American Opportunity	Lifetime Learning	Tuition and Fees	Additional Student Info for Form 8863
[01] ...					<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	[02] 8863
[03] ...					<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	[04] 8863
[05] ...					<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	[06] 8863
[07] ...					<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	[08] 8863
[09] ...					<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	[10] 8863
[11] ...					<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	[12] 8863
[13] ...					<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	[14] 8863
[15] ...					<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	[16] 8863
[17] ...					<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	[18] 8863

[19] Is taxpayer eligible to be claimed by another person but is still entitled to claim nonrefundable education credits? ☐ Yes

[20] Delete a student

Refund 2,627

Due Diligence for the American Opportunity Credit

[21] Did the taxpayer provide receipts for the qualified tuition and related expenses for the claimed American Opportunity credit? ☐ Yes

[22] List any additional documents you relied on

- American Opportunity vs Lifetime Learning
 - Qualifications
- Additional Due Diligence

Earned Income Credit

Print Preview Notes [F4] TWPDF Archive

EIC Information About Your Qualifying Children

[01] Paid preparer's due diligence checklist Due Diligence Changes to qualifying children must be made in Dependent Information on the Basic Information menu. Dependents can also be accessed from the Due Diligence menu.

	First Name & Initial	Last Name and Suffix	Age/DOB	SSN	Relationship	Months Lived With	Identity Protection PIN	Born Before 2000 and under age 24 at the end of 2018 and a student	Disabled in 2018
[02] Child #1	lil	Mexico	13/ 05-05-2005	400-01-2345	SON	12		<input type="checkbox"/> Yes <input type="checkbox"/> Yes	<input type="checkbox"/> Yes <input type="checkbox"/> Yes
[03] Child #2			0/					<input type="checkbox"/> Yes <input type="checkbox"/> Yes	<input type="checkbox"/> Yes <input type="checkbox"/> Yes
[04] Child #3			0/					<input type="checkbox"/> Yes <input type="checkbox"/> Yes	<input type="checkbox"/> Yes <input type="checkbox"/> Yes

EIC Information About Your Qualifying Children

[05] Taxable scholarship or fellowship grant included in 1040 line 7 (OVERRIDE)

[06] Investment Income (OVERRIDE) [07] Nontaxable combat pay election (OVERRIDE)

[08] Clergy Only - Amount from 1040, line 7 that was also reported on Schedule SE, line 2

[09] Was the taxpayer (or the taxpayer's spouse) a nonresident alien for any part of 2018? ☐ Yes

[10] Print 'NO' next to the line for EIC on 1040, 1040A or 1040EZ. Reason's to check this box include the following: ☐ Yes

- Taxpayer, spouse or a qualifying child has an SSN that is not valid for employment and was issued solely to apply for or receive a federally funded benefit
- Taxpayer lived less than half the year in the United States
- Taxpayer was a nonresident alien for any part of the year and filing status is not married filing jointly

[11] Allow EIC even if due diligence questions have not been answered completely?(This is an OVERRIDE and the 8867 will NOT be attached) ☐ Yes

[12] Enter 2016 earned income if it is more than 2017 earned income and you were impacted by a Presidentially declared disaster

- Qualifications
- Due Diligence
 - Quicker Fill
 - Recall From Prior

ACA Wizard

8962 Form 8962 - Premium Tax Credit (PTC)	
[01] Are you a victim of domestic abuse or spousal abandonment (Only applies if filing status is married filing separately)? <input type="checkbox"/> Yes	
Part 1 Annual and Monthly Contribution Amount	
[02] Modified AGI (Override)	
[03] Total of dependents' modified AGI (only include income for dependents who are required to file their own tax return)	
[04] Did you (or your spouse if married) ever live in Alaska in 2018? (Disregard if you currently live in Alaska)	<input type="checkbox"/> Yes
[05] Did you (or your spouse if married) ever live in Hawaii in 2018? (Disregard if you currently live in Hawaii)	<input type="checkbox"/> Yes
If your household income is below 100% of the Federal poverty line, you must meet the requirements of one of the next two sections to qualify for the PTC. You can preview the form to see if line 5 is less than 100%	
[06] Do you meet all the requirements for Estimated household income at least 100% of the Federal poverty line? <input type="checkbox"/> Yes ---You or an individual in your tax family enrolled in a qualified health plan through a Marketplace. ---The Marketplace estimated at the time of your enrollment that your household income would be between 100% and 400% of the Federal poverty line for your family size for 2018 ---APTC is paid for the coverage for one or more months during 2018 ---You otherwise qualify as an applicable taxpayer (without taking into account the Federal poverty line percentage)	
[07] Do you meet all the requirements for an Alien lawfully present in the United States? <input type="checkbox"/> Yes --- You or an individual in your tax family enrolled in a qualified health plan through a Marketplace. --- The enrolled individual is lawfully present in the United States and is not eligible for Medicaid --- You otherwise qualify as an applicable taxpayer (without taking into account the Federal poverty line percentage)	
Part 2 Premium Tax Credit Claim and Reconciliation of Advance Payment of Premium Tax Credit	
[08] Did any policy cover at least one individual in your tax family and at least one individual in another tax family and you received a Form 1095-A for the policy that does not accurately reflect the members of your tax family who were enrolled in the policy or the other tax family received a Form 1095-A for the policy that includes a member of your tax family? <input type="checkbox"/> Yes	
[09] Do all Forms 1095-A for your tax household include coverage for January through December with no changes in monthly amounts shown on lines 21-32, columns A and B? <input type="checkbox"/> Yes	

- Marketplace Coverage
- 8962 Premium Tax Credit
 - Under 100%
 - Between 100-400%
 - Over 400%
- 8965 Health Coverage Exemptions



Summary Menu

Topics covered in this section:

- **Reports and Diagnostics**
 - **Validity Checks**
- **Print Options**
- **States**
- **Direct Deposit/Electronic Payment**
- **Billing Information**
- **E-File**
- **Amendments (1040X)**

Reports and Diagnostics

Required Forms and Schedules	
Federal	
Form 1040 - U.S. Individual Income Tax Return	
Schedule 1 - Add'l Income and Adjustments	
Schedule 6 - Foreign Addr & 3rd Party Designee	
Schedule B - Interest and Dividend Income	
Schedule D - Capital Gains and Losses	
Form 8962 - Premium Tax Credit (PTC)	
Form 8965 - Health Coverage Exemptions	
State and Local Income Tax Refund	

Summary		
	Federal	MT
Adjusted Gross Income	281	0
Deductions	26,600	0
Exemptions	0	0
Taxable Income	0	0
Regular Tax	0	0
Payments	0	0
Additional Information		
Top Bracket Percentage	0.00 %	0.00 %
Actual Tax Rate	0.00 %	

- **Summary Report**
- **Detailed Summary Report**
- **Intuitive Diagnostics**
- **Validity Checks**

Print Options

Defaults **Print defaults editor**

[01] Change Active Setting ▼

[02] Active Print Default's Name: Standard Settings 1

[03] Mask SSN, Bank Acct # ☐ Yes

[04] Protect PDF with SSN ☐ Yes

[05] Client Copy ☐ Yes

Form Filter

Federal
Alabama
Arizona
Arkansas
California
Colorado
Connecticut
Delaware
D.C.
Georgia
Hawaii
Illinois
Idaho
Indiana
Iowa
Kansas
Kentucky
Louisiana
Maine

Form Name	Print if Required	Print Always	Number of Copies
Bill	<input type="checkbox"/>	<input type="checkbox"/>	0
Title Page	<input type="checkbox"/>	<input type="checkbox"/>	0
Slip Sheets	<input type="checkbox"/>	<input type="checkbox"/>	0
Filing Instructions	<input type="checkbox"/>	<input type="checkbox"/>	0
Client Letter	<input type="checkbox"/>	<input type="checkbox"/>	0
Summary	<input type="checkbox"/>	<input type="checkbox"/>	0
Basic Information	<input type="checkbox"/>	<input type="checkbox"/>	0
Detail Summary	<input type="checkbox"/>	<input type="checkbox"/>	0
Prior Year Comparison	<input type="checkbox"/>	<input type="checkbox"/>	0
Diagnostics	<input type="checkbox"/>	<input type="checkbox"/>	0
Form 1040V - Payment Voucher	<input type="checkbox"/>	<input type="checkbox"/>	0
Form 1040ES - Estimates	<input type="checkbox"/>	<input type="checkbox"/>	0
Schedule LEP - Request for Change in Language Preference	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1
Form 1040 - U.S. Individual Income Tax Return	<input type="checkbox"/>	<input type="checkbox"/>	0
Schedule 1 - Additional Income and Adjustments	<input type="checkbox"/>	<input type="checkbox"/>	0
Schedule 2 - Additional Taxes	<input type="checkbox"/>	<input type="checkbox"/>	0
Schedule 3 - Additional Credits and Payments	<input type="checkbox"/>	<input type="checkbox"/>	0
Form 2210/F - Underpayment Penalty	<input type="checkbox"/>	<input type="checkbox"/>	0
Schedule A - Itemized Deductions	<input type="checkbox"/>	<input type="checkbox"/>	0
Schedule B - Interest and Dividend Income	<input type="checkbox"/>	<input type="checkbox"/>	0

[06] Letter Formatter: Letter Formatter

[07] Title Page: titlepage.frx

[08] Client Letter: defaultletter.frx

[09] Slip Sheet 1: slipsheet.frx

[10] Slip Sheet 2: slipsheet2.frx

[11] Print in reverse order ☐ Yes

[12] Auto Create PDF file when printing complete return ☐ Yes

[13] Set return status when printing complete return ▼ Leave status unchanged

[14] Select Printer ▼ Brother MFC-L5900DW series

- **Print Return**
- **Preview Return**
- **Archive Return**
- **Print Setup**

States

The screenshot displays a tax software interface with a sidebar on the left and a main content area. The sidebar includes buttons for 'Notes [F4]', 'TWPDF Archive', 'PDF', 'Basic Information [40]', 'Forms & Schedules [10]', '1040 Line Input [11]', and 'Exit Return [41]'. The main content area is divided into several sections. At the top, there are buttons for 'Load Contact Center' and 'EFTPS'. Below these, there are two tabs: 'Tax Summaries and Diagnostics' and 'Tax Other Options/Data'. The 'Tax Summaries and Diagnostics' tab is active, showing a list of functions such as '[01] Display Summary', '[02] Display Detail Summary', '[03] Display Diagnostics', '[04] Display Validity Checks', '[05] Prior Year Comparison', '[06] Print Complete Return', '[07] Preview Complete Return', '[08] Form Print', '[24] Archive return to PDF file', and '[09] Print Setup/Defaults'. A red box highlights the 'Primary State' section, which includes a dropdown menu for 'Primary state' (currently set to 'CA') and a 'State Input' button. Below this, there is a 'Secondary States' section with buttons for '[14] Add', '[15] Access', and '[16] Delete'. The 'Other Options/Data' tab is also visible, showing functions like '[17] Direct Deposit Information', '[18] Electronic Payment', '[19] Billing Information', '[20] E-File Information', '[21] Return Status', '[22] Amount to pay on 1040 V', '[23] Amend this return', '[25] MFJ-MFS comparison', '[26] Efile exception (Form 8948)', '[27] Elections', '[29] Tax Planning', '[30] Electronic Signature', and '[31] Copy name and address to clipboard'. The bottom right of the interface features a large blue area labeled 'Notes used on this return (hit F4 to view in detail)'.

Tax Summaries and Diagnostics		Tax Other Options/Data	
[01] Display Summary	Display Summary	[17] Direct Deposit Information	Direct Deposit
[02] Display Detail Summary	Detail Summary	[18] Electronic Payment	Electronic Payment
[03] Display Diagnostics	Intuitive Diagnostics	[19] Billing Information	Billing Information
[04] Display Validity Checks	Validity Checks	[20] E-File Information	E-File
[05] Prior Year Comparison	Prior Year Compare	[21] Return Status	Information Pending
Tax Print Options		[22] Amount to pay on 1040 V	
[06] Print Complete Return	Print Return	[23] Amend this return	1040X Amended
[07] Preview Complete Return	Preview Return	[25] MFJ-MFS comparison	MFJ-MFS
[08] Form Print	Form Print	[26] Efile exception (Form 8948)	Form 8948
[24] Archive return to PDF file	Archive Return	[27] Elections	Elections
[09] Print Setup/Defaults	Print Setup	[29] Tax Planning	Tax Planning
Print file -- #1 Standard Settings 1	Change Print Profile	[30] Electronic Signature	E-Sign
Tax Primary State		[31] Copy name and address to clipboard	Clipboard
[12] Primary state	CA		
[13] Primary State Input	State Input		
Tax Secondary States			
[14] Add	[15] Access	[16] Delete	
AR-Arkansas			

- **State Selection**
 - **Adding Additional States**
- **Carrying Options**
 - **Carry**
 - **Don't Carry**
 - **Zero Out and Carry**

Direct Deposit and Electronic Payments

Print Preview

1040 Direct Deposit of Refund Tax return refund

First Account

[01] Name of financial institution(F5 Lookup)

[02] Routing transit number

[03] Account number

[04] Account Type ☒ Checking

Amount to be deposited in first account

[05] Recall prior year bank information Recall Prior

Second Account

[06] Name of financial institution(F5 Lookup)

[07] Routing transit number

[08] Account number

[09] Account Type ☒ Checking

[10] Amount to be deposited in second account

Third Account

[11] Name of financial institution(F5 Lookup)

[12] Routing transit number

[13] Account number

[14] Account Type ☒ Checking

[15] Amount to be deposited in third account

1040NR Only
Address to mail check to if outside the U.S. and different from shown on page 1

[16] Address line 1

[17] Address line 2

- **Direct Deposit**
 - **Bank Lookup**
 - **Bank Product**
- **Electronic Payments**

Billing Information

Preview Print Restore to Default Rates

1040 Billing Information

You may alter any billed amounts for this return by changing the value in the 'Amount' column. These changes will not reflect on the default bill, only this return.

Form/Schedule	Amount
Form 1040 - U.S. Individual Income Tax Return	350.00
Schedule 1 - Additional Income and Adjustments	0.00
Schedule 3 - Nonrefundable Credits	0.00
Form 1040V - Payment Voucher	0.00
Schedule B - Interest and Dividend Income	0.00
Schedule D - Capital Gains and Losses	0.00
Form 8949 - Sales of Capital Assets	0.00
Form 2210/F - Underpayment Penalty	0.00
Form 1040ES - Estimates	0.00
W-2 Listing	0.00
Federal EFILE Prep Fee	0.00
Form 8879 - E-File Signature Authorization	0.00
State EFILE Prep Fee	0.00
Schedule B Overflow	0.00
Social Security Benefits Worksheet	0.00
Qualified Dividends and Capital Gain Tax Worksheet	0.00
Schedule B Transaction(s)	0.00
Schedule D Transaction(s)	0.00
Form 1099-R(s)	0.00
California Form 540/540NR - Income Tax Return	0.00
California Schedule CA(540)/CA(540NR) - Adjustments	0.00
California Schedule D(540)/D(540NR) - Capital Gain or Loss	0.00
California Form 8453 - E-File Return Authorization	0.00
Indiana Form IT40 - IT40PNR -IT40RNR	0.00
Indiana Schedule 2/C	0.00
Indiana Schedule 3/D	0.00
Indiana Schedule 7/H	0.00
Indiana Schedule CT40/CT40PNR	0.00

Adjustments

[01] Adjusted Item Amount
[02] Adjusted Item Amount
[03] Adjusted Item Amount
[04] Discount DISCOUNT Percentage

Selections

[05] Invoice # 21 [09] State sales tax rate (.08=8%)
[06] Print list of forms on bill ☒ Yes [10] Compute state sales tax? ☐ Yes
[07] Print invoice number on bill? ☒ Yes [11] Print credit card page with bill? ☐ Yes
[08] Show amount billed for each form? ☒ Yes

Remarks

[12] Detail Section Title 2018
[13] Remark #1
[14] Remark #2
[15] Remark #3
[16] Remark #4

Calculations

Last years unpaid balance		Last year's bill	
Total Calculated Amount	350.00	Sales Tax	
[17] Override of calculated amount		Grand Total	350.00
[18] Amount Paid		Balance Due	350.00

- Snapshot
- Price Per Form
- Adjustments
- Options
- Remarks
- Calculations and Payments

E-File Information

Create E-File PDF's Electronically Sign A2A E-File Transmit 4868

EFile E-File Information

[01] ERO 1 - EFIN -

[02] Print 8879 Number Of Copies 1 Print 8879 [03] Preview 8879 Preview 8879

[04] Print 8453 Print 8453 [05] Preview 8453 Preview 8453

[06] E-File Status

Entity	Status
FED	Rejected
CA	Rejected
MS	No Status
IN	No Status
ME	No Status

[07] Bank Product Selection No Bank Product

[08] Bank Product Application Bank Application Print 7216 Forms

1040 Direct Deposit of Refund

Name of financial institution

Routing transit number

Account number

Account Type

[09] Direct Deposit Information Direct Deposit

8879 PIN Authorization Information

[12] Taxpayer PIN (5 Digit Numeric) 89735

[13] Spouse PIN (5 Digit Numeric) 29745

[14] PIN Signature Date 02-20-2019

[15] Taxpayer Identity Protection PIN

[16] Spouse Identity Protection PIN

E-File E-File Settings and Defaults

[10] Imperfect Return Indicator ☐ Yes

Default E-File status (#5 above) setting when 8879 is printed

☐ Transmit ☐ Pending

[11] Other RAL Type Setup Other RAL Type Setup

E-File E-File Attachments to Form 8453

[17] Form 8283 page appraisal attached ☐ Yes

[18] Form 8332 release of exemption attached ☐ Yes

[19] Form 3468 historic structure certificate ☐ Yes

[20] Form 3115 change in accounting method ☐ Yes

- **E-File Signature (8879)**
- **Entity Status**
- **Bank Applications**
- **Pin and Date Information**
- **8453 Attachments**

THANK YOU FOR CHOOSING
TAXWARE
SYSTEMS INC.