Other Income

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AARP FOUNDATION TAX-AIDE

Intake/Interview

Yes	No	Unsure	Check appropriate box for each question in each section
Part III – Income – Last Year, Did You *(or Your Spouse)* Receive			
☐	☐	☐	15. (B) Other income? (gambling, lottery, prizes, awards, jury duty, Sch K-1, etc.) (Forms W-2G) Specify _____
Part V – Life Events – Last Year, Did You *(or Your Spouse)*			
☐	☐	☐	2. (COD) Have debt from a mortgage or credit card cancelled/forgiven by a commercial lender? (Forms 1099-C, 1099-A)

AARP FOUNDATION TAX-AIDE

Form 1040 – Line 21

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a W-2, see instructions.

9a	Ordinary dividends. Attach Schedule B if required		9a
b	Qualified dividends	9b	
10	Taxable refunds, credits, or offsets of state and local income taxes		10
11	Alimony received		11
12	Business income or (loss). Attach Schedule C or C-EZ		12
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ ☐		13
14	Other gains or (losses). Attach Form 4797		14
15a	IRA distributions 15a	b Taxable amount	15b
16a	Pensions and annuities 16a	b Taxable amount	16b
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E		17
18	Farm income or (loss). Attach Schedule F		18
19	Unemployment compensation		19
20a	Social security benefits 20a	b Taxable amount	20b
21	Other income. List type and amount		21
22	Combine the amounts in the far right column for lines 7 through 21. This is your **total income** ▶		22

Examples:

Pub 17, pg 94

- Gambling winnings including lotteries and raffles
- Reported on 1099-MISC, Box 3
- 1099-LTC
- Jury duty pay
- Other:
  - Prizes and awards
  - Medical study subject pay
  - Cancellation of credit card debt

National Mortgage Settlement

- Taxpayers may receive a settlement payment
- Relates to a home lost in foreclosure 2008 – 2012
- No tax form (1099) issued
- Out-of-scope

Other Income

- Generally does **NOT** include 1099-MISC non-employee compensation (Box 7) which is business income – Sch C
- Does **NOT** include rent or royalty income which are reported on Sch E
- Includes income not reported on other lines and schedules

Line 21 in TaxWise

Link to Wkt 7 Other Income Worksheet

21	Other income. *Type: * Amounts from Forms W2G, 1099M, 2555, 2555-EZ, 6478, 8814, 8853, 8889, ESAs, QTPs, recovery of itemized deductions, and NOLs transfer to the other income worksheet. If you need to list other income, F9 on line 21 to access the worksheet and enter the income on the lines provided.	0

US Form 1040 and 1040NR, Line 21: Other Income Worksheet 2013

Name: SSN:

TSJ (taxpayer, spouse, joint) boxes are provided for entries that are not calculated from other forms.

Link to W-2G

		TSJ	Amount
1	Gambling winnings from Form W-2G		0
2	Form 1099-MISC, lines 3, 7, and 8		0
3	Taxable distributions from education savings accounts (ESAs) and QTPs		0
4	Recovery of itemized deductions		0
5	Foreign income exclusion from Form 2555, line 45		0
6	Foreign income exclusion from Form 2555-EZ, line 18		0
7	Income addition from Form 6478, line 7		0
8	Income addition from Form 8814, line 12		0
9	Taxable Archer MSA distributions from Form 8853, line 8		0
10	Taxable Medicare Advantage MSA distributions from Form 8853, line 12		0
11	Taxable long-term care insurance contract payments from Form 8853, line 26		0
12	Taxable HSA distributions from Form 8889, line 16		0
13	Income for failure to maintain HDHP coverage from Form 8889, line 20		0
14	Jury duty pay		0
15	NOL carried forward - enter as a negative amount		0
	A statement is required for e-file. F9 here for the NOL statement ☐		
16	Describe GAMBLING WINNINGS		350
17	Describe		0
18	Describe		0

If no W-2G, use L 16

US W-2G **Certain Gambling Winnings**

This W-2G is for the: ○ Taxpayer ○ Spouse

Winner's name: Winner's SSN: 022-35-9880

☐ Check if this W-2G is handwritten, altered, or appears not to be a true W-2G. ☐ Corrected

○ Check if this is the taxpayer's address shown on the W-2G **or**

○ Check and make changes to the U.S. address or foreign address below.

U.S. address
Zip code, city, and state
Foreign street address
Foreign city
Foreign province / state
Foreign Zip code
Foreign country code

☐ The taxpayer / spouse ID number listed on the Main Information Sheet is an ITIN. Enter the ID number (SSN or ITIN) as it is shown on the actual W-2G

Payer's Federal ID number	1 Gross winnings 0	2 Federal tax withheld 0
Phone	3 Type of wager	4 Date won
Name code:	5 Transaction	6 Race
Payer's name	7 Identical wagers	8 Cashier
Payer's address		

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Bottom of W-2G

Check if not taxable by state

	11 First ID	12 Second ID
* See F-1 Help on the state return for the use of this box ☐ Instructions vary by state.	13 State and state ID	14 State tax withheld 0
Gambling losses to be transferred to Schedule A		0

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Other Income

If 1099-MISC received

1	Gambling winnings from Form W-2G	0
2	Form 1099-MISC, lines 3, 7, and 8	0
3	Taxable distributions from education savings accounts (ESAs) and QTPs	0
4	Recovery of itemized deductions	0
5	Foreign income exclusion from Form 2555, line 45	0
6	Foreign income exclusion from Form 2555-EZ, line 18	0
7	Income addition from Form 6478, line 2	0
8	Income addition from Form 8814, line 12	0
9	Taxable Archer MSA distributions from Form 8853, line 8	0
10	Taxable Medicare Advantage MSA distributions from Form 8853, line 12	0
11	Taxable long-term care insurance contract payments from Form 8853, line 26	0
12	Taxable HSA distributions from Form 8889, line 16	0
13	Income for failure to maintain HDHP coverage from Form 8889, line 20	0
14	Jury duty pay	0
15	NOL carried forward - enter as a negative amount	0
	A statement is required for e-file. F9 here for the NOL statement	
16	Describe CONTEST PRIZE	250
17	Describe	0

If NO 1099-MISC received

Long Term Care Payments 1099-LTC

☐ CORRECTED (if checked)

PAYER'S name, street address, city or town, province or state, country, ZIP or foreign postal code, and telephone no.	1 Gross long-term care benefits paid $	OMB No. 1545-1519
	2 Accelerated death benefits paid $	2013
		Form 1099-LTC
PAYER'S federal identification number / POLICYHOLDER'S identification number	3 ☐ Per diem ☐ Reimbursed amount	INSURED'S social security no.
POLICYHOLDER'S name	INSURED'S name	
Street address (including apt. no.)	Street address (including apt. no.)	
City or town, province or state, country, and ZIP or foreign postal code	City or town, province or state, country, and ZIP or foreign postal code	
Account number (see instructions) / 4 Qualified contract (optional) ☐	5 (optional) ☐ Chronically ill ☐ Terminally ill	Date certified

Long-Term Care and Accelerated Death Benefits

Copy B For Policyholder
This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this item is required to be reported and the IRS determines that it has not been reported.

Form **1099-LTC** (keep for your records) www.irs.gov/form1099ltc Department of the Treasury - Internal Revenue Service

Long Term Care Payments 1099-LTC

- Per-diem basis or as reimbursement of actual expenses incurred
- Per-diem plan payments are not taxable up to $320 per day
  - If per-diem payments received are less than $320 per day, none of the payments are taxable

Accelerated Death Benefits 1099-LTC

- Insured has been certified by a physician as terminally ill
  - Fully excludible
- Certified as chronically ill
  - Treated the same as paid under a qualified long-term care insurance contract

Long Term Care Payments 1099-LTC

- If there are multiple payees under the insurance contract, refer the taxpayer to a paid preparer

Long Term Care Payments 1099-LTC

- Complete Form 8853 Pg 2
  - Either add or link from Wkt 7
- TaxWise will carry taxable amount, if any, to 1040 Wkt 7 L 11
- Unreimbursed medical expenses can be deducted on A Detail, if itemizing

Cancellation of Debt

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- Nonbusiness credit card debt only
- Taxpayer must be solvent immediately before debt cancelled
  - Value of assets exceeds value of liabilities
  - Not in bankruptcy
  - Otherwise out-of-scope

Cancellation of Debt

- Lenders must issue Form 1099-C if cancel $600 or more of debt
  - Less than $600 must also be reported as income by taxpayer
- Cancelled debt included on Form 1040, Line 21

Form 1099-C

☐ 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	OMB No. 1545-1424
	2 Amount of debt discharged $	2014
	3 Interest if included in box 2 $ OOS	Form 1099-C

Cancellation of Debt

CREDITOR'S federal identification number	DEBTOR'S identification number	4 Debt description: Nonbusiness credit card debt only
DEBTOR'S name		
Street address (including apt. no.)		5 If checked, the debtor was personally liable for repayment of the debt ▶ ☐
City or town, state or province, country, and ZIP or foreign postal code		
Account number (see instructions)	6 Identifiable event code	7 Fair market value of property $

Copy B For Debtor

This is important tax information and is being furnished to the Internal Revenue Service. 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.

Form 1099-C (keep for your records) www.irs.gov/form1099c Department of the Treasury - Internal Revenue Service

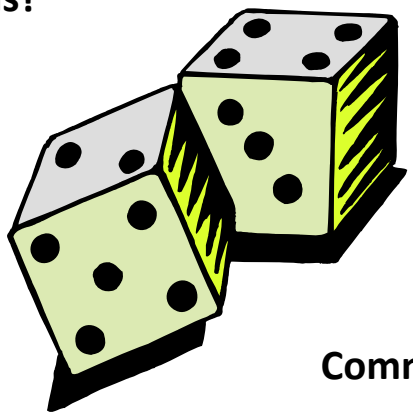
Income – Quality Review

The final question with respect to income:

Did you have any other income?

Other Income

Questions?



Comments…