



Income from Form 1040

Wages, Interest

Income	
1a	Total amount from Form(s) W-2, box 1 (see instructions)
1b	Household employee wages not reported on Form(s) W-2
1c	Tip income not reported on line 1a (see instructions)
1d	Medicaid waiver payments not reported on Form(s) W-2 (see instructions)
1e	Taxable dependent care benefits from Form 2441, line 26
1f	Employer-provided adoption benefits from Form 8839, line 29
1g	Wages from Form 8919, line 6
1h	Other earned income (see instructions)
1i	Nontaxable combat pay election (see instructions)
1j	
1k	
1l	
1m	
1n	
1o	
1p	
1q	
1r	
1s	
1t	
1u	
1v	
1w	
1x	
1y	
1z	
2a	Tax-exempt interest
2b	Taxable interest
3a	Qualified dividends
3b	Ordinary dividends
4a	IRA distributions
4b	Taxable amount
5a	Pensions and annuities
5b	Taxable amount
6a	Social security benefits
6b	Taxable amount
7	Capital gain or (loss). Attach Schedule D if required. If not required, check here
8	Additional income from Schedule 1, line 10
9	Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income
10	Adjustments to income from Schedule 1, line 26
11	Subtract line 10 from line 9. This is your adjusted gross income
12	Standard deduction or itemized deductions (from Schedule A)
13	Qualified business income deduction from Form 8995 or Form 8995-A
14	Add lines 12 and 13
15	Subtract line 14 from line 11. If zero or less, enter -0-. This is your taxable income

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

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

Attach Sch. B if required.

Standard Deduction for—

- Single or Married filing separately, \$14,800
- Married filing jointly or Qualifying surviving spouse, \$29,200
- Head of household, \$21,900
- If you checked any box under Standard Deduction, see instructions.

About Income from Form 1040 Wages, Interest, etc.

- Additional resources listed in L< “References” tab
- Review all tips and cautions in the lesson
- Read all examples and sample interviews
- We will review answers to each exercise

Internal Revenue Service
United States Department of the Treasury

LEVEL:

LESSON: Income — Wages, Interest, etc. Workout

Wage Income

Case Study 1: Multiple Forms W-2

During the tax year, Tina earned income from both a full-time and a part-time job. She received two Forms W-2, each listing different employers.

How should this income be entered in the tax software?

[Click here to review How/Where to Enter Income.](#)

[Click here for an explanation.](#)

Each Form W-2 must be entered into the tax software separately. The software will calculate and show the total on Tina's return.

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1 Wages, tips, other compensation 2 Federal income tax withheld

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

9 Verification code 10 Dependent care benefits

11 Nonqualified plans 12a See instructions for box 12

13 Dividends, capital gains, and other income 12b

14 Other 12c



Objectives – Income from Form 1040 Wages, Interest, etc.

- Compute taxable and nontaxable income
- Distinguish between earned and unearned income
- Report income correctly on Form 1040
- Time Required: 30 minutes

Topics



- Determining taxable and nontaxable income
- Reporting wages, salaries, tips, etc.
- Scholarship and Fellowship income
- Interest income
- Dividends
- State and local refunds
- Alimony

Income					
Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.		1a Total amount from Form(s) W-2, box 1 (see instructions)		1a	
If you did not get a Form W-2, see instructions.		b Household employee wages not reported on Form(s) W-2		1b	
		c Tip income not reported on line 1a (see instructions)		1c	
		d Medicaid waiver payments not reported on Form(s) W-2 (see instructions)		1d	
		e Taxable dependent care benefits from Form 2441, line 26		1e	
		f Employer-provided adoption benefits from Form 8839, line 29		1f	
		g Wages from Form 8919, line 6		1g	
		h Other earned income (see instructions)		1h	
		i Nontaxable combat pay election (see instructions)		1i	
		z Add lines 1a through 1h		1z	
Attach Sch. B if required.		2a Tax-exempt interest	2a	b Taxable interest	2b
Standard Deduction for—		3a Qualified dividends	3a	b Ordinary dividends	3b
• Single or Married filing separately, \$14,600		4a IRA distributions	4a	b Taxable amount	4b
		5a Pensions and annuities	5a	b Taxable amount	5b
		6a Social security benefits	6a	b Taxable amount	6b
		c If you elect to use the lump-sum election method, check here (see instructions)			
		7 Capital gain or (loss). Attach Schedule D if required. If not required, check here.			



Key Terms

Definitions are always available in the L< online Glossary.

- Allocated Tips
- Capital Gain Distributions
- Earned Income
- Gross Income
- Ordinary Dividends
- Taxable Income
- Tax-exempt Income
- Unearned Income

Determining Taxable and Nontaxable Income

What are the differences between taxable and nontaxable income?

- Nontaxable (excludable)
 - Gifts and inheritances
 - Exempt income
- Earned
 - Received for work, such as wages, business income
- Unearned
 - Interest income from investments
- Review [Pub 4012](#), Income tab, for examples

Income Quick Reference Guide

This list is a quick reference and volunteers should refer to Publication 525, Taxable and Nontaxable Income, for more information. Don't rely on this list alone. Some of the income items on this chart are Out of Scope for VITA/TCE. Review the Scope of Service chart to identify Out of Scope items. Refer taxpayers with Out of Scope income to a professional tax preparer. Confirm that all income received by the taxpayer has been discussed and shown on the return, if required. To determine taxability at the state level, check with your state's department of revenue.

Table A – Examples of Taxable Income (Examples of income to consider when determining whether a return must be filed or if a person meets the gross income test for qualifying relative)		
<ul style="list-style-type: none">• Wages, salaries, bonuses, commissions• Alimony (for divorce before 2019, see How/Where to Enter Income, later)• Annuities• Awards• Back pay• Breach of contract payment• Business income/Self-employment income• Cash income• Compensation for personal services• Canceled debts¹• Director's fees• Disability benefits (employer-funded)• Discounts• Dividends• Employee awards• Employee bonuses• Estate and trust income	<ul style="list-style-type: none">• Farm income• Fees• Gains from sale of property or securities• Gambling winnings• Hobby income• Grants to businesses, even disaster related, unless exempted by law• Interest• Interest on life insurance dividends• IRA distributions• Jury duty fees• Military pay (not exempt from taxation)• Military pension• Nonemployee compensation• Notary fees• Partnership, Estate and S-Corporation income (Schedule K-1s, Taxpayer's share)• Pensions• Prizes• Punitive damage award	<ul style="list-style-type: none">• Railroad retirement—Tier I (portion may be taxable)• Railroad retirement—Tier II• Recovery of prior year deduction² (medical, property taxes, etc.)• Refunds of State and local income tax (if reportable)²• Rents (gross rent)• Rewards• Royalties• Severance pay• Self-employment (gross income)• Social Security benefits (including SSDI) – portion may be taxable – (See Tab D, Income, Form SSA-1099/RRB-1099 Tier 1 Distributions)• Supplemental unemployment benefits• Taxable scholarships and grants• Tips and gratuities• Tribal per capita payments• Unemployment compensation

Footnotes

¹If the taxpayer received a Form 1099-C, Cancellation of Debt, in relation to their main home, it can be nontaxable, as is forgiveness of certain student loans

²If itemized in year paid and taxes were reduced because of deduction

Determining Taxable and Nontaxable Income

Examples of income items used to determine entries in TaxSlayer.

- Review Pub 4012, Using TaxSlayer® Pro Online tab, Navigating TaxSlayer chart
- Tax Forms:
 - W-2
 - 1099-INT
 - 1099-DIV
 - 1099-G

The screenshot displays the 'Navigating TaxSlayer® Pro Online' interface for the year 2021. On the left is a sidebar menu with categories: 'Form Finder', 'Basic Information', 'Federal Section' (with sub-items like Income, W-2 Wage Statement, Retirement Income, Deductions, Other Taxes, Payments & Estimates, Miscellaneous Forms, and Application for Refund), 'COVID-19 Relief', 'Health Insurance', 'State Section', 'Summary/Prior', 'E-file', '2021 Amended Return', 'Your Office', 'Create Customer Portal', and 'Help & Support'. The main content area is titled 'Income' and lists various tax forms with their descriptions and 'Go to' buttons: Form W-2 (Wage and Tax Statement), Form 1099-G Box 2 (State or local income tax refunds, credits, or offsets), Schedule B - Forms 1099-INT, DIV, ORD (Interest income, dividends, and distributions), Form 1099-R, RRB, ESA (Distributions from pensions, annuities, retirement, IRAs, social security, etc.), Form 9915-F (Qualified Disaster Retirement Plan Distributions and Repayments), Form 1099-G Box 1 (Unemployment Compensation), 1099-MISC (Miscellaneous income), 1099-NEC (Nonemployee compensation), Schedule C (Profit or Loss from Business), Form 1099-K (Payment card and third party network transactions), Schedule E (Supplemental Income and Loss from Rents and Royalties), and Schedule D/Form 8849 (Capital Gains and Losses).

Determining Taxable and Nontaxable Income

- Remember: Volunteers probe taxpayers to determine all sources of income
- Media: Videos & Audio for topic
 - FAQ, [1099-DIV Dividend Income](#)
- End of topic – Q & A

Reporting Wages, Salaries, Tips, etc.

- Form W-2: Issued to employees by January 31, reports wages and other compensation
- [Pub 4012](#), Income tab
 - How/Where to Enter Income
 - Form W-2 Instructions

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1 Wages, tips, other compensation 2 Federal income tax withheld

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

9 10 Dependent care benefits

11 Nonqualified plans 12a See instructions for box 12

13 Statutory employee Retirement plan Third-party sick pay 12b

14 Other 12c

Reporting Wages, Salaries, Tips, etc.

- TaxSlayer Practice
 - Click Income from Federal Section, then click Wages and Salaries
 - Complete Form W-2
 - To enter tips not shown on Form W-2, click on Other Taxes from Federal Section, then Tax on Unreported Tip Income

Page 2

Answer the following questions on this page and the next page about you and your spouse's tax situation

Received money from any of the following in 2014:	Income to be included (To be completed by certified volunteers)	Notes/Comments
<input type="checkbox"/> (B) Wages as a part-time or full-time employee How many jobs _____	<input type="checkbox"/> (B) W-2s Number of forms _____	
<input type="checkbox"/> (B)(A) Tips	<input type="checkbox"/> (B)(A) Tips (basic when reported on W2)	
<input type="checkbox"/> (B)(A) Retirement account, pension or annuity proceeds	<input type="checkbox"/> (B)(A) 1099-R (basic when taxable amount is reported)	
<input type="checkbox"/> (B) Disability benefits	Number of forms _____	
<input type="checkbox"/> (B) Social Security or Railroad Retirement Benefits	<input type="checkbox"/> (B) SSA-1099, RRB-1099	
<input type="checkbox"/> (B) Unemployment benefits	<input type="checkbox"/> (B) 1099-G Number of forms _____	
<input type="checkbox"/> (B) Refund of state or local income tax	<input type="checkbox"/> Did you receive a refund of state or local taxes <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Did you receive last year <input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/> (B) Interest or dividends (bank account, bonds, etc.)	<input type="checkbox"/> (B) 1099-INT/ORD Number of forms _____	
<input type="checkbox"/> (A) Sale of stocks, bonds or real estate Did you report a loss on last year's return <input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> (A) 1099-B Number of forms _____ (Include brokerage statement) <input type="checkbox"/> Capital Loss carryover	
<input type="checkbox"/> (B) Alimony	<input type="checkbox"/> (B) Alimony Amount \$ _____ Excluded from income <input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/> (M) Income from renting out your house or a room in your house If yes, did you use the dwelling unit as a personal residence and rent it for less than 15 days <input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> (M) Rental income	
<input type="checkbox"/> Income from renting personal property such as a vehicle		
<input type="checkbox"/> Farm activity	<input type="checkbox"/> Farm income (out of scope)	
<input type="checkbox"/> Gambling earnings, including lottery	<input type="checkbox"/> (B) W-2G or other gambling winnings (list losses below if taxpayer can't deduct losses)	
<input type="checkbox"/> Payments for contract or self-employment work Did you report a loss on last year's return <input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> (A) Schedule C <input type="checkbox"/> 1099-MISC Number _____ <input type="checkbox"/> 1099-NEC Number _____ <input type="checkbox"/> Other income reported elsewhere <input type="checkbox"/> Schedule C expenses	
<input type="checkbox"/> Any other money received during the year (cash prizes, cash payments, jury duty, awards, virtual currency, royalties, union strike benefits)	<input type="checkbox"/> Other income (see Pub 4012 for guidance on other income, i.e., scope of service chart)	

Catalog Number 521218 www.irs.gov Form 13614-C (Rev. 10-2014)

Reporting Wages, Salaries, Tips, etc.

- Remember:
 - Household employees earning less than \$2,200 may not receive a Form W-2, but the income must be reported
 - Self-employed taxpayers who receive tips should include their tips in gross receipts on Schedule C
- Media: Videos & Audio for topic
 - Missing Form W-2 ([YouTube video](#))
- End of topic – Q & A

Scholarship and Fellowship Income

- Taxable scholarship income may be reported on Form W-2 and Form 1098-T
- If the taxpayer did not receive a Form W-2, the taxable amount should still be reported
- Review [Pub 4012](#), Education Benefits Tab, Tax Treatment of Scholarship and Fellowship Payments

<input type="checkbox"/> CORRECTED		1 Payments received for qualified tuition and related expenses \$ 2		OMB No. 1545-1574 2024 Form 1098-T	Tuition Statement Copy B For Student This is important tax information and is being furnished to the IRS. This form must be used to complete Form 8863 to claim education credits. Give it to the tax preparer or use it to prepare the tax return.
FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number		3			
FILER'S employer identification no.	STUDENT'S TIN	4 Adjustments made for a prior year \$		5 Scholarships or grants \$	
STUDENT'S name		6 Adjustments to scholarships or grants for a prior year \$		7 Checked if the amount in box 1 includes amounts for an academic period beginning January–March 2025 <input type="checkbox"/>	
Street address (including apt. no.)		9 Checked if a graduate student <input type="checkbox"/>		10 Ins. contract reimb./refund \$	
City or town, state or province, country, and ZIP or foreign postal code		8 Checked if at least half-time student <input type="checkbox"/>			
Service Provider/Acct. No. (see instr.)					

Form **1098-T** (keep for your records) www.irs.gov/Form1098T Department of the Treasury - Internal Revenue Service

Interest Income

- Interest income (unearned income) is reported on [Form 1099-INT](#)
- Common sources: savings accounts, CDs, saving certificates, government bonds, interest on insurance proceeds, loan interest
- Enter interest income as directed in the software

<input type="checkbox"/> CORRECTED (if checked)		OMB No. 1545-0112		Interest Income
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		Payer's RTN (optional)	Form 1099-INT (Rev. January 2024)	
		1 Interest Income	For calendar year _____	
PAYER'S TIN		2 Early withdrawal penalty		Copy B For Recipient
RECIPIENT'S TIN		3 Interest on U.S. Savings Bonds and Treasury obligations		

Received money from any of the following in 2024:	Income to be included (To be completed by certified volunteer)	Notes/Comments
<input type="checkbox"/> (B) Wages as a part-time or full-time employee How many jobs _____	<input type="checkbox"/> (B) W-2s Number of forms _____	
<input type="checkbox"/> (B/A) Tips	<input type="checkbox"/> (B/A) Tips (basic when reported on W2)	
<input type="checkbox"/> (B/A) Retirement account, pension or annuity proceeds	<input type="checkbox"/> (B/A) 1099-R (basic when taxable amount is reported)	
<input type="checkbox"/> (B) Disability benefits	Number of forms _____	
<input type="checkbox"/> (B) Social Security or Railroad Retirement Benefits	<input type="checkbox"/> (B) SSA-1099, RRB-1099	
<input type="checkbox"/> (B) Unemployment benefits	<input type="checkbox"/> (B) 1099-G Number of forms _____	
<input type="checkbox"/> (B) Refund of state or local income tax	<input type="checkbox"/> Did you receive a refund of state or local taxes <input type="checkbox"/> Yes <input type="checkbox"/> No	
	<input type="checkbox"/> Did you itemize last year <input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/> (B) Interest or dividends (bank account, bonds, etc.)	<input type="checkbox"/> (B) 1099-INT/DIV Number of forms _____	
<input type="checkbox"/> (A) Sale of stocks, bonds or real estate Did you report a loss on last year's return <input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> (A) 1099-B Number of forms _____ (include brokerage statement) <input type="checkbox"/> Capital Loss carryover	
<input type="checkbox"/> (B) Alimony	<input type="checkbox"/> (B) Alimony Amount \$ _____ Excluded from income <input type="checkbox"/> Yes <input type="checkbox"/> No	

Dividends

- Reported to the taxpayer on Form 1099-DIV
 - Ordinary dividends
 - Section 199A dividends
 - Qualified dividends: Eligible for lower tax rate
- Review [Pub 4012](#), Income tab, Dividend Income
- See Publication 17, Dividends and Other Distributions for more details

The screenshot shows the 'Dividend Income (Form 1099-DIV)' form. At the top, there are three buttons: 'CANCEL', 'SAVE & ENTER ANOTHER', and 'CONTINUE'. Below these buttons, the form is titled 'Dividend Income (Form 1099-DIV)'. The 'Type of transaction' is 'Dividend Income'. The 'Payer's Name *' field is highlighted with a blue circle containing the number '1'. Below this is the 'Payer TIN or EIN' field, which is split into two boxes with a hyphen between them. The 'Payer's Address' section includes a checkbox for 'Check here if foreign address' and a text field for 'Address (street number & name)'. At the bottom, there is a 'ZIP code' field.

Dividends

- Generally, all dividend income is reported on Form 1040, lines 3a and 3b, Qualified Dividends and Ordinary Dividends.
- Capital Gains Distributions will appear on Form 1040

CORRECTED (if checked)		OMB No. 1545-0110	Dividends and Distributions
Country, ZIP	1a Total ordinary dividends \$	Form 1099-DIV (Rev. January 2024)	
	1b Qualified dividends \$	For calendar year _____	
	2a Total capital gain distr. \$	2b Unrecap. Sec. 1250 gain \$	Copy B For Recipient
	2c Section 1202 gain \$	2d Collectibles (28%) gain \$	
	2e Section 897 ordinary dividends \$	2f Section 897 capital gain \$	
	3 Nondividend distributions \$	4 Federal income tax withheld \$	
	5 Section 199A dividends	6 Investment expenses	

This is important tax information and is being furnished to you.

was withheld. If you did not get a Form W-2, see instructions.		f Employer-provided adoption benefits from Form 8839, line 29		1f
		g Wages from Form 8919, line 6		1g
		h Other earned income (see instructions)		1h
		i Nontaxable combat pay election (see instructions)		1i
		z Add lines 1a through 1h		1z
Attach Sch. B if required.	2a Tax-exempt interest	2a	b Taxable interest	2b
	3a Qualified dividends	3a	b Ordinary dividends	3b
	4a IRA distributions	4a	b Taxable amount	4b
	5a Pensions and annuities	5a	b Taxable amount	5b
	6a Social security benefits	6a	b Taxable amount	6b
	c If you elect to use the lump-sum election method, check here (see instructions)			<input type="checkbox"/>
	7 Capital gain or (loss). Attach Schedule D if required. If not required, check here			<input type="checkbox"/> 7
	8 Additional income from Schedule 1, line 10			8
	9 Add lines 1z, 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
	12 Standard deduction or itemized deductions (from Schedule A)			12

Standard Deduction for—

- Single or Married filing separately, \$14,600
- Married filing jointly or Qualifying surviving spouse, \$29,200
- Head of household, \$21,900
- If you checked

Dividends

- Ask taxpayers for their annual brokerage statement if they did not receive Form 1099-DIV for a dividend
- Schedule B is needed if the taxpayer's ordinary dividends are greater than \$1,500
- Out of scope: Form 1099-DIV boxes labeled Unrecap. Sec. 1250 gain, Section 1202 gain, Cash liquidation distributions, and Noncash liquidation distributions
- Media: Videos & Audio for topic
 - FAQ: [1099-DIV Dividend Income](#)

☐ CORRECTED (if checked)

PAYEE'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		OMB No. 1545-0047 Form 1099-DIV (Rev. January 2016) For calendar year _____		Dividends and Distributions
PAYEE'S TIN		1a Total ordinary dividends \$ _____		Copy B For Recipient 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 this income is taxable and the IRS determines that it has not been reported.
		1b Qualified dividends \$ _____		
2a Total capital gain distn. \$ _____		2b Unrecap. Sec. 1250 gain \$ _____		
2c Section 1202 gain \$ _____		2d Collectible (20%) gain \$ _____		
2e Section 871 ordinary dividends \$ _____		2f Section 871 capital gain \$ _____		
3 Nondividend distributions \$ _____		4 Federal income tax withheld \$ _____		
5 Section 109A dividends \$ _____		6 Investment expenses \$ _____		
7 Foreign tax paid \$ _____		8 Foreign country or U.S. possession \$ _____		
9 Cash liquidation distributions \$ _____		10 Noncash liquidation distributions \$ _____		
11 FATCA filing requirement <input type="checkbox"/>		12 Exempt interest dividends \$ _____	13 Specified private activity bond interest dividends \$ _____	
Account number (see instructions) _____		14 State _____	15 State nonresident or \$ _____	16 State tax withheld \$ _____

Form 1099-DIV (Rev. 1-2016) (Keep for your records) www.irs.gov/Form1099-DIV Department of the Treasury Internal Revenue Service

State and Local Refunds

- Will be shown on [Form 1099-G](#)
- Report only if:
 - Taxpayer **itemized deductions** last year, and
 - **Received** an income tax benefit.
 - **Do not** report if state sales tax was deducted.
- Taxable refund is reported on Form 1040, Schedule 1
- Click Income from the Federal Section then state and local refunds

☐ CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Unemployment compensation \$	OMB No. 1545-0100 Form 1099-G (Rev. March 2004) For calendar year
2 State or local income tax refunds, credits, or offsets \$		3 Box 2 amount is for tax year	4 Federal income tax withheld \$
PAYER'S TIN	RECIPIENT'S TIN	5 RTAA payments \$	6 Taxable grants \$
RECIPIENT'S name Street address (including apt. no.) City or town, state or province, country, and ZIP or foreign postal code		7 Agriculture payments \$	8 If checked, box 2 is trade or business income <input type="checkbox"/>
Account number (see instructions)		9 Market gain \$	10a State \$
		10b State identifier no.	11 State income tax withheld \$

Form **1099-G** (Rev. 3-2004) (Keep for your records) www.irs.gov/form1099-G Department of the Treasury - Internal Revenue Service

Certain Government Payments

Copy B For Recipient

This is important tax information and is being furnished to the IRS. If you are required to file a return, it negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

Alimony

- Do not confuse child support payments with alimony
- Where do you get alimony information?
 - Ask the taxpayer if they have:
 - Post 1984 and pre 2019 divorces
 - Post 2018 divorces
- How do you report alimony?
 - Form 1040, Schedule 1, if receiving
 - Schedule 1 Adjustments to Income section if paying
- For any divorce or separation instrument executed after December 31, 2018, or modified after that date, alimony and separate maintenance payments are not deductible by the payor spouse and are not included in income by the recipient of the payments.

Alimony

- Getting information about alimony
 - Form 13614-C
 - [Pub 4012](#), Adjustments tab, Alimony Requirements

<input type="checkbox"/> (B) Refund of state or local income tax	<input type="checkbox"/> Did you receive a refund of state or local taxes <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> (B) Interest or dividends (bank account, bonds, etc.)	<input type="checkbox"/> Did you itemize last year <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> (A) Sale of stocks, bonds or real estate	<input type="checkbox"/> (B) 1099-INT/DIV Number of forms _____
Did you report a loss on last year's return <input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> (A) 1099-B Number of forms _____ (include brokerage statement) <input type="checkbox"/> Capital Loss carryover
<input type="checkbox"/> (B) Alimony	<input type="checkbox"/> (B) Alimony Amount \$ _____
<input type="checkbox"/> (M) Income from renting out your house or a room in your house	Excluded from income <input type="checkbox"/> Yes <input type="checkbox"/> No
If yes, did you use the dwelling unit as a personal residence and rent it for few than 15 days <input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> (M) Rental income
<input type="checkbox"/> Income from renting personal property such as a vehicle	
<input type="checkbox"/> Farm	<input type="checkbox"/> (B) Child and dependent care
<input type="checkbox"/> Gambl	<input type="checkbox"/> (A) IRA, 401(k), etc. deduction
<input type="checkbox"/> Paym	<input type="checkbox"/> (B) Saver's credit
	<input type="checkbox"/> (B) Educator expenses deduction
	<input type="checkbox"/> (B) Alimony payments (do not include child support)
	<input type="checkbox"/> (B) Alimony payments with spouse's SSN \$ _____
	Adjustment to income <input type="checkbox"/> Yes <input type="checkbox"/> No
Did any of the following happen during 2024:	Information to report (To be completed by certified volunteer)
<input type="checkbox"/> (B) You or someone in your family took educational classes (technical school, college, job related, etc.)	<input type="checkbox"/> (B) Taxable scholarship income
	<input type="checkbox"/> (B) 1098-T (itemized statement from school, invoice, etc.)
	<input type="checkbox"/> (B) Education credit or tuition and fees deduction
<input type="checkbox"/> (A) Sell a home	<input type="checkbox"/> (A) Sale of home (1099-S)
<input type="checkbox"/> (A) Have a health savings account (HSA)	<input type="checkbox"/> HSA contributions <input type="checkbox"/> HSA distributions
<input type="checkbox"/> (A) Purchase health insurance through the Marketplace (Exchange)	<input type="checkbox"/> (A) 1095-A
<input type="checkbox"/> (A) Purchase and install energy-efficient home items (example: _____)	<input type="checkbox"/> (B) Energy efficient home improvement credit
	Notes/Comments

Summary

- This lesson covered:
 - Income reported on Form 1040 and Schedule 1
 - Differentiating taxable and nontaxable income
 - Earned and unearned income
- Check your understanding of this lesson by going to Certification Warm Up on your student landing page



**Skills
Workout**



**Certification
Warm Up**



**Media: Videos
& Audio**



**TaxWise
Tutorial**



Job Aids



**Practice
Lab**

Out of Scope for this Lesson:

- Taxpayers with income from the following sources:
 - Other gains/losses
 - Farm income
- Accrual method for reporting income
- Taxpayers who buy or sell noncovered bonds between interest payment dates
- Form 1099-INT, with entry in Specified private activity bond interest box subject to AMT
- Adjustments needed for any of the amounts listed on Form 1099-OID, or if the taxpayer should have received Form 1099-OID but did not receive one
- Form 1099-DIV, boxes labeled Unrecap. Sec. 1250 gain, Section 1202 gain, Cash liquidation distributions, and Noncash liquidation distributions
- State or local income tax refunds received in the current tax year for a year other than the previous tax year
- Alimony/divorce agreements executed before 1985
- Minister tax returns with parsonage/housing allowance



Practice

- Select the problems from L< Skills Workout based on your certification course of study
- Complete the exercise