

# State and Local Refund Worksheet



**TaxSlayer Navigation:** Federal Section>Income>Form 1099-G Box 2; or Keyword “G”



Use this worksheet only if the taxpayer itemized deductions last year claiming state income taxes as a deduction and received a state or local income tax refund.



None of your refund is taxable if, in the year you paid the tax, you either:

- (a) didn't itemize deductions, or
- (b) elected to deduct state and local general sales taxes instead of state and local income taxes.



You may need to look up the sales tax that could have been deducted using the [IRS sales tax calculator](#).

### State & Local Refund Worksheet

**CANCEL** **CONTINUE**

**Bypass State Refund Worksheet**  
Enter an amount here to bypass worksheet and enter the full amount as taxable on form 1040

\$

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**State & Local Refunds** ←

2019 state tax refunds (all refunds from 1099-G or similar statements)

\$

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**Prior Year Taxes**

Last year's (2019 tax return) total state and local tax paid (Schedule A line 5d)

\$

Last year's (2019 Tax Return) total itemized or standard deductions (Form 1040 line 9)

\$

Total amount of prior year state tax withheld (including state estimated payments, Schedule A line 5a)

\$  ←

Prior year sales tax deduction (Schedule A line 5a)  
Only enter an amount here if you chose to deduct state & local general sales taxes instead of state & local income taxes in 2019:

\$  ←

Last Year's (2019 Tax Return) Filing Status \*

Select one... ▼ ←

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Last Year's (2019 Tax Return) Deductions for Age 65 and over or Blind:

Check here if Taxpayer claimed the Age 65 and older deduction last year.

Check here if the Taxpayer claimed the Blind deduction last year.

Use this worksheet to determine the portion of the taxpayer's prior year state refund that is considered taxable in the current year. Use a copy of the taxpayer's previous year return to enter all amounts in the spaces provided. The taxable portion will be included on the return as taxable income.

Include state tax withheld and state estimated payments made during 2020.

Enter any calculated sales tax not deducted on your prior year Schedule A. If the amount is not shown on last year's return, you can go to the Sales Tax Deduction Calculator on IRS.gov to determine the amount.

If last year's filing status was MFS, indicate if spouse itemized deductions.

**Note:** See Instructions for Recipient for Box 2 on Form 1099-G amounts which may appear in the unnumbered box beside Box 9. Amounts in this unnumbered box are interest and are in scope. Report it as interest income on the tax return.