



# Income from Form 1040

## Wages, Interest

<b>Income</b> 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.	<b>1a</b>	Total amount from Form(s) W-2, box 1 (see instructions)		<b>1a</b>			
	<b>b</b>	Household employee wages not reported on Form(s) W-2		<b>1b</b>			
	<b>c</b>	Tip income not reported on line 1a (see instructions)		<b>1c</b>			
	<b>d</b>	Medicaid waiver payments not reported on Form(s) W-2 (see instructions)		<b>1d</b>			
	<b>e</b>	Taxable dependent care benefits from Form 2441, line 26		<b>1e</b>			
	<b>f</b>	Employer-provided adoption benefits from Form 8839, line 29		<b>1f</b>			
	<b>g</b>	Wages from Form 8919, line 6		<b>1g</b>			
	<b>h</b>	Other earned income (see instructions)		<b>1h</b>			
	<b>i</b>	Nontaxable combat pay election (see instructions)	<b>1i</b>				
	<b>z</b>	Add lines 1a through 1h		<b>1z</b>			
	Attach Sch. B if required.	<b>2a</b>	Tax-exempt interest	<b>2a</b>		<b>b</b> Taxable interest	<b>2b</b>
<b>3a</b>		Qualified dividends	<b>3a</b>		<b>b</b> Ordinary dividends	<b>3b</b>	
<b>4a</b>		IRA distributions	<b>4a</b>		<b>b</b> Taxable amount	<b>4b</b>	
<b>Standard Deduction for—</b> <ul style="list-style-type: none"> <li>• Single or Married filing separately, \$14,600</li> <li>• Married filing jointly or Qualifying surviving spouse, \$29,200</li> <li>• Head of household, \$21,900</li> <li>• If you checked any box under Standard Deduction, see instructions.</li> </ul>	<b>5a</b>	Pensions and annuities	<b>5a</b>		<b>b</b> Taxable amount	<b>5b</b>	
	<b>6a</b>	Social security benefits	<b>6a</b>		<b>b</b> Taxable amount	<b>6b</b>	
	<b>c</b>	If you elect to use the lump-sum election method, check here (see instructions)		<input type="checkbox"/>			
	<b>7</b>	Capital gain or (loss). Attach Schedule D if required. If not required, check here		<input type="checkbox"/>	<b>7</b>		
	<b>8</b>	Additional income from Schedule 1, line 10			<b>8</b>		
	<b>9</b>	Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your <b>total income</b>			<b>9</b>		
<b>10</b>	Adjustments to income from Schedule 1, line 26			<b>10</b>			
<b>11</b>	Subtract line 10 from line 9. This is your <b>adjusted gross income</b>			<b>11</b>			
<b>12</b>	<b>Standard deduction or itemized deductions</b> (from Schedule A)			<b>12</b>			
<b>13</b>	Qualified business income deduction from Form 8995 or Form 8995-A			<b>13</b>			
<b>14</b>	Add lines 12 and 13			<b>14</b>			
<b>15</b>	Subtract line 14 from line 11. If zero or less, enter -0-. This is your <b>taxable income</b>			<b>15</b>			

# About Income from Form 1040 Wages, Interest, etc.

- Additional resources listed in L&LT “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: [Icons]

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★ LESSON: Income — Wages, Interest, etc. Workout

Wage Income

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### 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.

<small>Safe, accurate, FAST! Use</small> <b>irs e-file</b> <small>Visit the IRS website www.irs.gov/efile</small>	
<b>1</b> Wages, tips, other compensation	<b>2</b> Federal income tax withheld
<b>3</b> Social security wages	<b>4</b> Social security tax withheld
<b>5</b> Medicare wages and tips	<b>6</b> Medicare tax withheld
<b>7</b> Social security tips	<b>8</b> Allocated tips
<b>9</b> Verification code	<b>10</b> Dependent care benefits
<b>11</b> Nonqualified plans	<b>12a</b> See instructions for box 12
<b>13</b> <small>Statutory employee Retirement plan Third-party sick pay</small>	<b>12b</b>
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<b>12c</b>
<b>14</b> Other	

MATERIALS



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



## Key Terms

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

### Footnotes

<sup>1</sup>If 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

<sup>2</sup>If 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. The left sidebar contains a 'Form Finder' section with a search bar and a list of categories: Basic Information, Federal Section (Income, Deductions, Other Taxes, Payments & Estimates, Miscellaneous Forms, COVID-19 Relief), Health Insurance, State Section, Summary/Print, E-file, 2021 Amended Return, Your Office, Create Customer Portal, and Help & Support. The main content area is titled 'Income' and lists several tax forms with 'EDIT' or 'BEGIN' buttons:

Form Number	Description	Action
Form W-2	Wage and Tax Statement	EDIT
Form 1099-G Box 2	State or local income tax refunds, credits, or offsets	BEGIN
Schedule B - Forms 1099-INT, DIV, OID	Interest income, dividends, and distributions	BEGIN
Form 1099-R, RRB, SSA	Distributions from pensions, annuities, retirement, IRAs, social security, etc.	EDIT
Form 8915-F	Qualified Disaster Retirement Plan Distributions and Repayments	BEGIN
Form 1099-G Box 1	Unemployment Compensation	BEGIN
1099-MISC	Miscellaneous income	BEGIN
1099-NEC	Nonemployee compensation	BEGIN
Schedule C	Profit or Loss from Business	BEGIN
Form 1099-K	Payment card and third party network transactions	BEGIN
Schedule E	Supplemental Income and Loss from Rents and Royalties	BEGIN
Schedule D/Form 8949	Capital Gains and Losses	BEGIN

# 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

Safe, accurate, FAST! Use **IRS e-file** Visit the IRS website [www.irs.gov/efile](http://www.irs.gov/efile)  
645-0008

<b>1</b> Wages, tips, other compensation	<b>2</b> Federal income tax withheld
<b>3</b> Social security wages	<b>4</b> Social security tax withheld
<b>5</b> Medicare wages and tips	<b>6</b> Medicare tax withheld
<b>7</b> Social security tips	<b>8</b> Allocated tips
<b>9</b>	<b>10</b> Dependent care benefits
<b>11</b> Nonqualified plans	<b>12a</b> See instructions for box 12
<b>13</b> Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>	<b>12b</b>
<b>14</b> Other	<b>12c</b>



# 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				OMB No. 1545-1574		<b>2024</b>	<b>Tuition Statement</b>
FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number		1	Payments received for qualified tuition and related expenses				
		2					
FILER'S employer identification no.	STUDENT'S TIN	3					<b>Copy B For Student</b>
STUDENT'S name		4	Adjustments made for a prior year	5	Scholarships or grants		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.
		\$		\$			
Street address (including apt. no.)		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"/>		
City or town, state or province, country, and ZIP or foreign postal code		\$					
Service Provider/Acct. No. (see instr.)		8	Checked if at least half-time student <input type="checkbox"/>	9	Checked if a graduate student <input type="checkbox"/>	10	Ins. contract reimb./refund
				\$			

Form **1098-T** (keep for your records) [www.irs.gov/Form1098T](http://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 <b>Form 1099-INT</b> (Rev. January 2024) For calendar year _____	<b>Interest Income</b>
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.			
PAYER'S RTN (optional)		1 Interest Income	<b>Copy B</b>
PAYER'S TIN		\$ _____	
RECIPIENT'S TIN		2 Early withdrawal penalty	
		\$ _____	<b>For Recipient</b>
		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

### Dividend Income (Form 1099-DIV)

CANCEL

SAVE & ENTER ANOTHER

CONTINUE

Type of transaction  
Dividend Income

Payer's Name \* 1

Payer TIN or EIN

Payer's Address

Check here if foreign address

Address (street number & name)

ZIP code

# 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		<b>Dividends and Distributions</b>
Country, ZIP	<b>1a</b> Total ordinary dividends	Form <b>1099-DIV</b>		
	\$	(Rev. January 2024)		
	<b>1b</b> Qualified dividends	For calendar year		<b>Copy B For Recipient</b>
	\$	<b>2a</b> Total capital gain distr.	<b>2b</b> Unrecap. Sec. 1250 gain	
	\$	\$	\$	
	<b>2c</b> Section 1202 gain	<b>2d</b> Collectibles (28%) gain		
	\$	\$	\$	
	<b>2e</b> Section 897 ordinary dividends	<b>2f</b> Section 897 capital gain		
	\$	\$	\$	
	<b>3</b> Nondividend distributions	<b>4</b> Federal income tax withheld		This is important tax information and is being furnished to you.
	\$	\$		
	<b>5</b> Section 199A dividends	<b>6</b> Investment expenses		
	\$	\$		

<b>was withheld.</b>	<b>f</b> Employer-provided adoption benefits from Form 8839, line 29	<b>1f</b>	
If you did not get a Form W-2, see instructions.	<b>g</b> Wages from Form 8919, line 6	<b>1g</b>	
	<b>h</b> Other earned income (see instructions)	<b>1h</b>	
	<b>i</b> Nontaxable combat pay election (see instructions)	<b>1i</b>	
	<b>z</b> Add lines 1a through 1h	<b>1z</b>	
Attach Sch. B if required.	<b>2a</b> Tax-exempt interest	<b>2a</b>	<b>b</b> Taxable interest
	<b>3a</b> Qualified dividends	<b>3a</b>	<b>b</b> Ordinary dividends
	<b>4a</b> IRA distributions	<b>4a</b>	<b>b</b> Taxable amount
	<b>5a</b> Pensions and annuities	<b>5a</b>	<b>b</b> Taxable amount
	<b>6a</b> Social security benefits	<b>6a</b>	<b>b</b> Taxable amount
	<b>c</b> If you elect to use the lump-sum election method, check here (see instructions)		
	<b>7</b> Capital gain or (loss). Attach Schedule D if required. If not required, check here	<input type="checkbox"/>	<b>7</b>
	<b>8</b> Additional income from Schedule 1, line 10	<input type="checkbox"/>	<b>8</b>
	<b>9</b> Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your <b>total income</b>		<b>9</b>
	<b>10</b> Adjustments to income from Schedule 1, line 26		<b>10</b>
	<b>11</b> Subtract line 10 from line 9. This is your <b>adjusted gross income</b>		<b>11</b>
	<b>12</b> <b>Standard deduction or itemized deductions</b> (from Schedule A)		<b>12</b>

**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

You are required to file a tax return if you have other income that may be taxable. You may be required to file a tax return if you have taxable income from a 1099-DIV that has been withheld.

# 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](#)

<input type="checkbox"/> CORRECTED (if checked)		OMB No. 1545-0110	
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1a Total ordinary dividends	Form <b>1099-DIV</b>
		\$	(Rev. January 2024)
PAYER'S TIN		1b Qualified dividends	For calendar year
		\$	
RECIPIENT'S TIN		2a Total capital gain distr.	2b Unrecap. Sec. 1250 gain
		\$	\$
RECIPIENT'S name		2c Section 1202 gain	2d Collectibles (28%) gain
		\$	\$
Street address (including apt. no.)		2e Section 897 ordinary dividends	2f Section 897 capital gain
		\$	\$
City or town, state or province, country, and ZIP or foreign postal code		3 Nondividend distributions	4 Federal income tax withheld
		\$	\$
Account number (see instructions)		5 Section 199A dividends	6 Investment expenses
		\$	\$
11 FATCA filing requirement <input type="checkbox"/>		7 Foreign tax paid	8 Foreign country or U.S. possession
		\$	\$
14 State		9 Cash liquidation distributions	10 Noncash liquidation distributions
		\$	\$
15 State identification no.		12 Exempt-interest dividends	13 Specified private activity bond interest dividends
		\$	\$
16 State tax withheld		14 State	15 State identification no.
		\$	\$
16 State tax withheld		16 State tax withheld	
		\$	\$

**Dividends and Distributions**

**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.

Form **1099-DIV** (Rev. 1-2024) (keep for your records) www.irs.gov/Form1099DIV 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

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. 1545-0120
		\$	Form <b>1099-G</b>
		\$	(Rev. March 2024)
			For calendar year
PAYER'S TIN	RECIPIENT'S TIN	3 Box 2 amount is for tax year	4 Federal income tax withheld
		\$	\$
RECIPIENT'S name		5 RTAA payments	6 Taxable grants
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 identification no.
			\$
			11 State income tax withheld
			\$

CORRECTED (if checked)

**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, 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.

Form **1099-G** (Rev. 3-2024) (keep for your records) www.irs.gov/Form1099G Department of the Treasury - Internal Revenue Service

# 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"/> 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	<input type="checkbox"/> (A) 1099-B Number of forms _____ (include	
Did you report a loss on last year's return <input type="checkbox"/> Yes <input type="checkbox"/> No	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	<input type="checkbox"/> (M) Rental income	
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"/> Income from renting personal property such as a vehicle		
<input type="checkbox"/> Farm	<input type="checkbox"/> (B) Child and dependent care	<input type="checkbox"/> (B) Child and dependent care credit
<input type="checkbox"/> Gambl	<input type="checkbox"/> (B/A) Contributions to a retirement account	<input type="checkbox"/> (A) IRA, 401(k), etc. deduction
	<input type="checkbox"/> Repayments to a qualified retirement plan	<input type="checkbox"/> (B) Saver's credit
<input type="checkbox"/> Paym	<input type="checkbox"/> (B) School supplies by a teacher, teacher's aide or other educator	<input type="checkbox"/> (B) Educator expenses deduction
Did you	<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
<b>Did any of the following happen during 2024:</b>	<b>Information to report (To be completed by certified volunteer)</b>	<b>Notes/Comments</b>
<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: windows, furnace, insulation, etc.)	<input type="checkbox"/> (B) Energy efficient home improvement credit	

# 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&LT Skills Workout based on your certification course of study
- Complete the exercise