

# Income Documents

The following are examples of income items to consider in determining entries into TaxWise®:

Form	Type	Go to 1040 Line	TaxWise® Entries (See Note 1)
W-2	Wages & Salaries	7	Link and complete Form W-2
1098-T	Taxable scholarship income	7	Link to Wkt1
	Household employee income (no W-2)	7	Link to Wkt1
1099-INT	Interest	8a	Select Interest Stmt from Forms Tree or Link to Schedule B, and then link to the Interest Stmt
1099-DIV	Dividends	9	Select Dividend Stmt from Forms Tree or Link to Schedule B, and then link to the Dividend Stmt
1099-G	State Tax Refunds	10	Link to State Tax Refund Worksheet
1099-MISC (Box 7)	Miscellaneous Income (Self Employment Income) (See Note 2)	12	Link from appropriate 1040 line to 1099-MISC (eg, line 21 for Other Income) or to any required schedule (C, C-EZ, E) and then to 1099-MISC. DO NOT start with the 1099-MISC. See Note 2 regarding Nonemployee Compensation
1099-B	Sale of Stock	13	Select Cap Gn Trans Wkt in Forms Tree or add Form 8949 and link to Cap Gn Trans Wkt.
1099-R	Distributions from IRAs	15	Link and complete Form 1099-R
1099-R	Distributions from Retirement Plans	16	Link and complete Form 1099-R
CSA-1099-R	Civil Service Annuity Paid	16	Link and complete Form 1099-R
CSF-1099-R	Statement of Survivor Annuity Paid	16	Link and complete Form 1099-R
RRB-1099-R	Railroad Retirement Benefits (Tier 2)	16	Link and complete Form 1099-R
Schedule K-1 (Form 1065, 1120S or 1041)	Interest and/or Dividend Income, Capital Gains and Losses, Tax-Exempt Interest Income, Royalties	various	Interest income to Interest Statement Tax exempt income to Interest Statement in NAEOB column Dividend income to Dividend Statement Royalties to Schedule E Line 1 Short Term Capital Gains to Sch D Line 5 using a scratch pad Long Term Capital Gains to Sch D Line 12 using a scratch pad
1099-G	Unemployment Compensation	19	Link and complete Form 1099-G
SSA-1099R	Social Security Benefits	20	Link and complete 1040 Wkt 1
RRB-1099	Railroad Retirement Benefits (Tier 1)	20	Link and complete 1040 Wkt 1
W-2G	Gambling Winnings	21	Link from to Wkt 7 and then to W-2 G
1099-MISC (Box 3)	Prizes, Awards, Jury Duty	21	Link from "Amount" box to complete line 21, Other Income

## Other Income

Once the main information data and income statements are entered, TaxWise® automatically makes available all forms and schedules for credits except American Opportunity and Lifetime Learning Credits and Retirement Savings Contribution Credit if there is only a Roth IRA contribution. These credit forms and schedules will be annotated with a red exclamation point.

**Note 1:** If the applicable form is in the left-hand tree, it may be selected directly rather than linking from Form 1040.

**Note 2:** For nonemployee compensation, it is important to link to Schedule C or C-EZ and then from "Gross Receipts" to the 1099-MISC before completing the rest of Schedule (exception is earnings of the newspaper carrier, <18 years of age - in this case, the 1099-MISC is linked from line 21 because earnings are not subject to self-employment tax).

**Tip:** To eliminate unnecessary burden on the taxpayer, such as a CP-2000 Notice, the "Regulatory Explanation" or "Election Explanation" form should be added to the return to provide further explanation about an item reported or not reported on the tax return. The "Regulatory Explanation" form is added to the TaxWise forms tree by selecting the "Add Form" option and typing "RegExpl" in the search box. The "Election Explanation" form is added to the TaxWise forms tree by selecting the "Add Form" option and typing "Election" in the search box.