

State and Local Refund Worksheet



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



CAUTION 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.



TIP 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.



TIP You may need to look up the sales tax that could have been deducted using the IRS sales tax calculator: <https://www.irs.gov>

State Refund Worksheet

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

\$

State and Local Refunds ←

State Tax Refunds (all refunds from 1099-G or similar statements)

\$

Prior Year Taxes

Last Year's (2018 Tax Return) Total State Tax (found on Schedule A, Line 5d)

\$

Last year's (2018 Tax Return) Total Itemized or Standard Deductions (found on Schedule A, Line 17)

\$

Prior Year State Tax Withheld (from Schedule A Line 5a, no Sales Tax Deduction)

\$ ←

Prior Year Sales Tax Deduction (from Schedule A Line 5a, using Sales Tax Deduction)
Enter any calculated sales tax not deducted on your prior year Schedule A

\$ ←

Last Year's (2018 Tax Return) Filing Status *

Select one... ▼ ←

Last Year's (2018 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 2019.

If the taxpayer itemized in the prior year, enter sales tax deduction that could have been claimed in 2020 (for tax year 2019). See Publication 600, State and Local General Sales Tax, for details. 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.