



Other Taxes

SCHEDULE 2 (Form 1040)		Additional Taxes		OMB No. 1545-0074
Department of the Treasury Internal Revenue Service		Attach to Form 1040, 1040-SR, or 1040-NR. Go to www.irs.gov/Form1040 for instructions and the latest information.		2022 Attachment Sequence No. 02
Name(s) shown on Form 1040, 1040-SR, or 1040-NR			Your social security number	
Part I Tax				
1	Alternative minimum tax. Attach Form 6251	1		
2	Excess advance premium tax credit repayment. Attach Form 8962	2		
3	Add lines 1 and 2. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 17	3		
Part II Other Taxes				
4	Self-employment tax. Attach Schedule SE	4		
5	Social security and Medicare tax on unreported tip income. Attach Form 4137	5		
6	Uncollected social security and Medicare tax on wages. Attach Form 8919	6		
7	Total additional social security and Medicare tax. Add lines 5 and 6	7		
8	Additional tax on IRAs or other tax-favored accounts. Attach Form 5329 if required. If not required, check here <input type="checkbox"/>	8		
9	Household employment taxes. Attach Schedule H	9		
10	Repayment of first-time homebuyer credit. Attach Form 5405 if required	10		
11	Additional Medicare Tax. Attach Form 8959	11		
12	Net investment income tax. Attach Form 8960	12		
13	Uncollected social security and Medicare or RRTA tax on tips or group-term life insurance from Form W-2, box 12	13		
14	Interest on tax due on installment income from the sale of certain residential lots and timeshares	14		
15	Interest on the deferred tax on gain from certain installment sales with a sales price over \$150,000	15		
16	Recapture of low-income housing credit. Attach Form 8611	16		

(continued on page 2)

About Other Taxes

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

Objectives – Other Taxes

- Identify the different types of other taxes on a return
- Determine if a taxpayer is liable for other taxes that are within the scope of the volunteer program
- Determine how to report these additional taxes on the tax return, and complete the applicable forms or schedules
- Time Required: 15 minutes

Topics



- Other Taxes
- Self-Employment Tax
- Tip Income



- Qualified Retirement Plans



- Form 5329, Part I
- First-Time Homebuyer Credit



- Figuring Total Tax

Key Terms

Definitions are always available in the L< online Glossary.

- Allocated Tips
- First-time Homebuyer Credit
- Individual Retirement Arrangement (IRA)
- Nonrefundable Credit
- Pension
- Self-employment Income
- Tip Income
- Traditional IRA

Other Taxes

- “Other taxes” are usually calculated on their own form or schedule and are added after the nonrefundable credits are calculated
- Other taxes include:
 - Self-employment tax
 - Social Security and Medicare taxes on tip income
 - Additional taxes on IRAs and other qualified retirement plans
 - Household employment taxes
 - Repayment of first-time homebuyer credit
- Refer to Pub 4012, Other Taxes and Payments and Refundable Credits tab, for more information



Self-Employment Tax

- Self-employment (SE) tax is Social Security and Medicare taxes collected primarily from individuals who work for themselves
- Self-employed taxpayers who receive Form 1099-MISC must file Schedule C and Schedule SE
- Schedule SE has a long and short version; used to calculate the SE tax

The image shows a portion of the 2022 IRS Form 1040. The top header includes 'Form 1040', 'Department of the Treasury—Internal Revenue Service', 'U.S. Individual Income Tax Return', and the year '2022'. Below the header, there are checkboxes for 'Filing Status' (Single, Married filing jointly, Married filing separately (MFS), etc.). The main body of the form is divided into two columns. The left column is for 'SCHEDULE C (Form 1040) Profit or Loss From Business (Sole Proprietorship)'. The right column is for 'SCHEDULE SE (Form 1040) Self-Employment Tax'. Below these columns, there is a section for 'Part I Self-Employment Tax' with a 'Note' and several lines for reporting income and deductions.



Tip Income

- Workers who receive \$20 or more per month in tips must report their tips to their employer. The employer:
 - Reports these tips as part of the wages on Form W-2, box 1, and
 - Withholds Social Security and Medicare taxes and federal income tax
- An employee who receives \$20 or more in unreported tips per month must report the income on Form 1040 and pay the Social Security and Medicare taxes
- Taxes for unreported tips are calculated on [Form 4137, Social Security and Medicare Tax on Unreported Tip Income](#)
- Refer to Pub 4012, Income tab



Qualified Retirement Plans



- Traditional IRAs and other qualified plans allow individuals to defer paying taxes until the funds are distributed
- The taxpayer must pay income tax plus an additional tax as a penalty if any of the following apply:
 - A distribution is taken before the individual reaches the age of 59½ and it is not rolled over into another qualified plan or IRA (in scope)
 - Minimum distributions are not withdrawn when required (out of scope)
 - Excess contributions are not removed by the due date of the return, including extensions (out of scope)

TIP:

- Qualified individuals that receive coronavirus-related distributions are not subject to the 10% additional tax on early distributions. See the Retirement Income lesson for details.

Form 5329, Part I



- [Form 5329](#), Part I provides for exceptions to the additional tax on early distributions from IRAs or qualified pension plans
 - Line 1: Amount of distribution included in income
 - Line 2: Amount that qualifies for an exception
 - Line 3: Amount subject to additional tax
 - Line 4: Additional tax carried over to Form 1040, Other Taxes

First-Time Homebuyer Credit



- Certain situations may require the credit to be repaid and reported in the Form 1040, Other Taxes section
- Determine if the taxpayer claimed the 2008 homebuyer credit and must pay back a portion of the credit each year
- If the taxpayer is required to repay the credit, it is calculated on [Form 5405](#), First-Time Homebuyer Credit and Repayment of the Credit
- For exceptions to the repayment rules, see [Form 5405 Instructions](#)
- Taxpayers repaying an installment of the 2008 credit are not required to file Form 5405

Figuring Total Tax



- The total tax amount on Form 1040, includes the tax on all income, adjustments to income, deductions, nonrefundable tax credits, and other taxes
- The next step is entering tax payments and refundable credits
- Final calculation is the amount of taxes owed, or the amount overpaid that would result in a refund

Estimated Payments for Next Year

First Quarter(April 15, 2019)
\$

Second Quarter(June 17, 2019)
\$

Third Quarter(September 16, 2019)
\$

Fourth Quarter(January 15, 2020)
\$

Enter amount to be printed on each voucher.

Taxpayer can make pen and ink changes to a voucher if the situation changes during the year.

CANCEL **CONTINUE**

Out of Scope for this Lesson:

- Household employment taxes
- IRA minimum distributions not withdrawn when required
- Excess contributions to an IRA not removed by the due date of the return including extensions
- Parts II through IX of Form 5329 (only Part I is in scope)
- Distribution from an ABLÉ account that exceeds the qualified disability expenses
- Individuals subject to the additional Medicare tax on Form 8959
- Individuals subject to the net investment income tax on Form 8960

Summary

- This lesson covered:
 - Self-employment tax
 - Social Security and Medicare taxes on unreported tip income
 - Additional taxes on IRAs and other qualified retirement plans
 - Repayment of the first-time homebuyer credit
- Other taxes are calculated on separate forms or schedules
- TaxSlayer provides all of the forms and performs the calculations