

Payments

Payments	25	Federal income tax withheld from:		
	a	Form(s) W-2	25a	
	b	Form(s) 1099	25b	
	c	Other forms (see instructions)	25c	
	d	Add lines 25a through 25c		25d
	26	2022 estimated tax payments and amount applied from 2021 return		26
<p>If you have a qualifying child, attach Sch. EIC.</p>	27	Earned income credit (EIC)	27	
	28	Additional child tax credit from Schedule 8812	28	
	29	American opportunity credit from Form 8863, line 8	29	
	30	Reserved for future use	30	
	31	Amount from Schedule 3, line 15	31	
	32	Add lines 27, 28, 29, and 31. These are your total other payments and refundable credits		32
	33	Add lines 25d, 26, and 32. These are your total payments		33

About Payments

- 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 – Payments

- Identify the following types of payments and credits that are applicable for most low- and moderate-income taxpayers:
 - Federal income tax withheld, from Forms W-2 and Forms 1099
 - Estimated tax payments and amounts applied from the prior year's return
 - Amount paid with a request for an extension to file
 - Excess Social Security and tier 1 RRTA tax withheld
- Report these payments and credits correctly on the taxpayer's return
- Time Required: 30 minutes

Topics



- Federal Income Tax Withheld
- Estimated Tax Payments
- Amounts Applied From Previous Year
- Payments and Extensions
- Excess Social Security and Tier 1 RRTA


Key Terms

Definitions are always available in the L< online Glossary.

- Refundable Credit
- RRTA
- Withholding Tax

Federal Income Tax Withheld

- The total federal income tax withheld is entered in the Payments section of Form 1040
- Use interview techniques and Form 13614-C to determine the payments and credits to report
- Review Pub 4012, Tab H, Other Taxes, Payments and Refundable Credits
- See [Pub 505](#), Tax Withholding and Estimated Tax, for more information

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CORRECTED (if checked)

1 Wages, tips, other compensation		2 Federal income tax withheld		1a Total ordinary dividends		OMB No. 1545-0110		Dividends and Distributions
				\$		Form 1099-DIV		
3 Social security wages		4 Social security tax		1b Qualified dividends		(Rev. January 2022)		
				\$		For calendar year 20		
5 Medicare wages and tips		6 Medicare tax withheld		2a Total capital gain distr.		2b Unrecap. Sec. 1250 gain		Copy B For Recipient
				\$		\$		
7 Social security tips		8 Allocated tips		2c Section 1202 gain		2d Collectibles (28%) gain		
				\$		\$		
9		10 Dependent care		2e Section 997 ordinary dividends		2f Section 997 capital gain		
				\$		\$		
11 Nonqualified plans		12a See instructions		3 Nondividend distributions		4 Federal income tax withheld		
				\$		\$		
13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>		12b		5 Section 199A dividends		6 Investment expenses		
				\$		\$		
14 Other		12c		7 Foreign tax paid		8 Foreign country or U.S. possession		
				\$		\$		
		12d		11 FATCA filing requirement <input type="checkbox"/>		9 Cash liquidation distributions		
						\$		
				12 Exempt-interest dividends		10 Noncash liquidation distributions		
				\$		\$		
				14 State		15 State identification no.		
				16 State tax withheld		\$		
						\$		

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.

records) www.irs.gov/Form1099DIV Department of the Treasury - Internal Revenue Service

Estimated Tax Payments

- Estimated tax includes income tax and self-employment tax
- If estimated payments are not paid when required, or amounts are insufficient, a penalty could be imposed
- From Form 13614-C and interview, determine if taxpayers paid estimated tax; if yes, ask to see the taxpayer's Form 1040-ES
- For more information about estimated taxes, refer to [Publication 505](#), Tax Withholding and Estimated Tax and [Form 1040-ES](#), Estimated Tax for Individuals

2021 Form 1040-ES

Estimated Tax for Individuals

Purpose of This Package

Use Form 1040-ES to figure and pay your estimated tax for 2021.



Department of the Treasury
Internal Revenue Service

year. You had no tax liability for 2020 if your total tax was zero or you didn't have to file an income tax return.

Special Rules

Amounts Applied from Previous Year

- Taxpayers who overpay income taxes for one tax year can apply all or part of their refund to next year's tax
- From Form 13614-C and interview, determine if taxpayers overpaid income tax last year and if they applied any part of it to this tax year; if yes, ask to see the last year's return to verify the amount
- Add the amount to the estimated tax payments and enter the total on Form 1040

Yes	No	Unsure	Part V – Life Events – Last Year, Did You (or Your Spouse)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. (A) Have a Health Savings Account? (Forms 5498-SA, 1099-SA, W-2 with code W in box 12)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2. (A) Have credit card, student loan or mortgage debt cancelled/forgiven by a lender or have a home foreclosure? (Forms 1099-C, 1099-A)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3. (A) Adopt a child?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4. (B) Have Earned Income Credit, Child Tax Credit or American Opportunity Credit disallowed in a prior year? If yes, for which tax year? <input type="text"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5. (A) Purchase and install energy-efficient home items? (such as windows, furnace, insulation, etc.)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6. (A) Receive the First Time Homebuyers Credit in 2008?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. (B) Make estimated tax payments or apply last year's refund to this year's tax? If so how much? <input type="text"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. (A) File a federal return last year containing a "capital loss carryover" on Form 1040 Schedule D?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. (A) Have health coverage through the Marketplace (Exchange)? [Provide Form 1095-A]

Payments and Extensions

- [Form 4868](#), Application for Automatic Extension of Time To File U.S. Individual Income Tax Return, extends the time to file until Oct. 15
- An extension must be filed electronically or on paper by the due date of the return
- If taxes due are not paid by April 15, taxpayers may owe interest and penalties
- Review Pub 4012, Tab M, Other Returns, Filing for an Extension

Form **4868** Application for Automatic Extension of Time To File U.S. Individual Income Tax Return

Department of the Treasury Internal Revenue Service (99) For calendar year 2018, or other tax year beginning , 2018, and ending , 20 . OMB No. 1545-0074

2018 current year not available

Part I Identification			Part II Individual Income Tax	
1 Your name(s) (see instructions)			4 Estimate of total tax liability for 2018 \$	
Address (see instructions)			5 Total 2018 payments	
City, town, or post office			6 Balance due. Subtract line 5 from line 4 (see instructions)	
State	ZIP code		7 Amount you're paying (see instructions) . . . ▶	
			8 Check here if you're "out of the country" and a U.S. citizen or resident (see instructions) ▶	<input type="checkbox"/>
			9 Check here if you file Form 4810NB or 4810NB-EZ and	

Excess Social Security and Tier 1 RRTA

- A taxpayer with more than one employer may have a combined income over the amount for the Social Security wage base, resulting in overpayment of Social Security tax
- The excess amount is entered on Form 1040, Schedule 3, and is a refundable credit
- TaxSlayer computes excess Social Security taxes automatically based on entries from Forms W-2

Part II Other Payments and Refundable Credits

9	Net premium tax credit. Attach Form 8962	9	
10	Amount paid with request for extension to file (see instructions)	10	
11	Excess social security and tier 1 RRTA tax withheld	11	
12	Credit for federal tax on fuels. Attach Form 4136	12	
13	Other payments or refundable credits:		

Out of Scope for this Lesson:

- Taxpayers who claim any of these credits:
 - Form 4136, Credit for Federal Tax Paid on Fuels
 - Form 2439, Notice to Shareholder of Undistributed Long-Term Capital Gains
 - Form 8839, Qualified Adoption Expenses
 - Form 8885, Health Coverage Tax Credit

Summary

This lesson covered:

- How to identify the types of payments and refundable credits that should be entered in the Payments section of the return
- How to handle estimated tax payments and overpayment amounts applied from the prior year's return