

Other Taxes

Other Taxes		
Self-Employment Tax Reported on Schedule SE	BEGIN	See self-employment tax below
Alternative Minimum Tax Reported on Form 6251	BEGIN	Out of Scope
Tax on Unreported Tip Income Reported on Form 4137	BEGIN	
Tax on Early Distribution Reported on Form 5329	BEGIN	
Household Employment Tax Schedule H	BEGIN	Out of Scope
Repayment of First-Time Homebuyer Credit Reported on Form 5405	BEGIN	
Tax For Certain Children Who Have Unearned Income Reported on Form 8615	BEGIN	Out of Scope
Child's Interest/Dividend Earnings Reported on Form 8814	BEGIN	Out of Scope
Net Investment Income Tax (Individuals, Estates, & Trusts) Reported on Form 8960	BEGIN	Out of Scope
Uncollected Social Security and Medicare Tax on Wages Reported on Form 891	BEGIN	Out of Scope

TIP TaxSlayer provides all the forms and schedules you need in order to figure and report these taxes, and in most cases, performs the calculations.

Self-Employment Tax –

Entered automatically from Schedule SE. TaxSlayer calculates the amount using the entries from Schedule C. Navigate from this screen only to exclude exempt notary income from the SE Tax calculation.

Enter Exempt Notary Income
This is income that you have already added to your tax return that you want TaxSlayer Pro to treat as exempt income


Enter the net profit from a Notary's business on the SE Tax input screen so that SE tax is not computed.


Self-Employment Tax Deferral –

The CARES Act allowed a self-employed taxpayer to defer payment of the employer share of Social Security tax for tax year 2020. Half of the deferred amount must be paid on or before December 31, 2021 and the other half by December 31, 2022. **This provision is not available to claim on the tax year 2021 return.**

Unreported Social Security and Medicare Tax –

Unreported Social Security and Medicare Tax comes from Form 4137, Social Security and Medicare Tax on Unreported Tip Income, not reported on Form W-2, Wage and Tax Statement.

 **TaxSlayer Navigation:** Federal Section>Income>W-2>Unreported tips (on W-2 below line 10); or Keyword “W-2”. If unreported because tips were less than \$20 per month, also enter at Federal Section>Other Taxes>Tax on Unreported Tip Income; or Keyword “4137”

 **TIP** Self-employment tax is Social Security and Medicare taxes collected primarily from individuals who work for themselves, similar to the Social Security and Medicare taxes withheld from the pay of most wage earners. The self-employment tax rate on net earnings is 15.3% (12.4% Social Security tax plus 2.9% Medicare tax).

Other Taxes (continued)



The Social Security Administration uses the information from Schedule SE to figure a person's benefits under the Social Security program. Not reporting all of a taxpayer's self-employment income could cause their Social Security benefits to be lower when they retire. This tax applies no matter how old the taxpayer is and even if they are already getting Social Security or Medicare.

Form 5405, Repayment of the First-Time Homebuyer Credit

Form 5405 - First-Time Homebuyer Credit and Repayment

! Married Filing Joint customers are required to file two separate 5405 forms with individual repayment amounts.

Form belongs to *

Taxpayer Sample
 Spouse Sample

Did the home stop being your primary residence during the current year? *

Yes
 No

Repayment of Credit

Check here if you purchased your home in 2008.

! For Jointly filed tax returns, you must enter yours and your spouse's portion of the credit separately. For example, if you received the \$7500 credit on a joint tax return. Each Spouse would be responsible for 1/2 of the credit and repayment amount. Enter \$3750 in the credit received (1/2 * 7500).

Please enter **1/2 of the full** credit amount you claimed on Form 5405 for 2008. (This amount would have been 10% of the purchase price up to either \$7,500 or \$8,000) *

\$

Enter **1/2 of the full** amount repaid with your prior year tax returns

\$

We automatically calculate your required payment amount based on the total credit you received. If you would like to add an additional amount to what is already calculated, enter that amount here

\$

*Click here to visit the IRS First Time Homebuyer credit account look-up tool.

Use the [First-Time Homebuyer Credit Account Look-up](#) tool on IRS.gov to determine the amount of the repayment.



TaxSlayer Navigation: Federal Section>Other Taxes>Repayment of First-Time Homebuyer Credit; or Keyword "FIRST-TIME"

Taxpayers who purchased a home in 2008 and received the First Time Homebuyer Credit (maximum \$7,500 loan) started repayments in 2010 and must enter the repayment on Form 5405, Repayment of the First-Time Homebuyer Credit. (See 5405 instructions for when it is required.)

Form 8615, Tax for Certain Children Who Have Unearned Income (Kiddie Tax)

Do you have to use Form 8615 to figure your child's tax?

step 1	Was the child's unearned income, including taxable scholarships and grants, more than \$2,200?	YES – Go to Step 2 NO – Don't use Form 8615 to figure the child's tax.
step 2	Is the child required to file a tax return for 2021?	YES – Go to Step 3 NO – Don't use Form 8615 to figure the child's tax.
step 3	Was the child under age 18 at the end of 2021?	YES – Go to Step 8 NO – Go to Step 4
step 4	Was the child age 18 at the end of 2021?	YES – Go to Step 7 NO – Go to Step 5
step 5	Was the child under age 24 at the end of 2021?	YES – Go to Step 6 NO – Don't use Form 8615 to figure the child's tax.
step 6	Was the child a full-time student in 2021?	YES – Go to Step 7 NO – Don't use Form 8615 to figure the child's tax.
step 7	Did the child have earned income that was more than half of his or her support?	YES – Don't use Form 8615 to figure the child's tax. NO – Go to Step 8
step 8	Was at least one of the child's parents alive at the end of 2021?	YES – Go to Step 9 NO – Don't use Form 8615 to figure the child's tax.
step 9	Is the child filing a joint return for 2021?	YES – Don't use Form 8615 to figure the child's tax. NO – Go to Step 10
step 10	Form 8615 must be used to figure the child's tax. Form 8615 is in scope for Native Americans receiving per capita payments and Alaska residents receiving permanent fund dividends. For all other purposes, Form 8615 remains Out of Scope.	

Note: If the child's parent chooses to report the child's income by filing Form 8814, Parents' Election To Report Child's Interest and Dividends, the child isn't required to file a tax return. Don't use Form 8615. (See Parent's Election to Report Child's Interest and Dividends.) Form 8814 is in scope for Alaska residents receiving permanent fund dividends. For all other purposes, Form 8814 remains Out of Scope.

Other Taxes (continued)

Additional Tax on IRAs and Other Qualified Plans –



TaxSlayer Navigation: Federal Section>Other Taxes>Tax on Early distribution; or Keyword “5329”

A 10% penalty is calculated on Form 5329, Additional Tax on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts, for early withdrawal before age 59-1/2. If an exception applies, enter the code and the amount on line 2 of Form 5329.

Advanced Certification required for this topic.

Form 5329


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Part I - Additional Tax on Early Distributions


Form belongs to *

Testing Taxpayer

Spouse Taxpayer

SIMPLE Retirement Distributions that are not subject to 25% Tax 

\$

Early Distributions that are not subject to 10% tax 

\$

Select the reason for exemption

Part II - Additional Tax on Certain Distributions from Education Accounts

Coverdell ESAs and QTPs that are not subject to the additional tax

\$

Funds distributed from a SIMPLE IRA in the first two years are subject to a 25% early distribution tax. If an exception applies, enter the amount not subject to the tax here.

Enter the amount not subject to additional tax.

Select the appropriate exception from the drop down menu.

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Other Taxes (continued)

Exception codes and explanations for early distributions from IRAs or retirement plans:

(Do not rely on this list alone. See Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs), for rules and details pertaining to each exception.)

No	Exception
01	Qualified retirement plan distributions (doesn't apply to IRAs) if you separated from service in or after the year you reach age 55 (age 50 for qualified public safety employees).
02	Distributions made as part of a series of substantially equal periodic payments (made at least annually) for your life (or life expectancy) or the joint lives (or joint life expectancies) of you and your designated beneficiary (if from an employer plan, payments must begin after separation from service).
03	Distributions due to total and permanent disability. Does not apply if the disability occurred after the distribution.
04	Distributions made on or after the date of death (doesn't apply to modified endowment contracts).
05	Qualified retirement plan distributions up to (1) the amount you paid for unreimbursed medical expenses during the year minus (2) 7.5% of your adjusted gross income for the year. Expenses can also be entered on Schedule A.
06	Qualified retirement plan distributions made to an alternate payee under a qualified domestic relations order (doesn't apply to IRAs).
07	IRA distributions made to unemployed individuals for health insurance premiums. ¹
08	IRA distributions up to the amount you paid for qualified higher education expenses during the year, unless paid with tax-free education aid or Pell grant.
09	IRA distributions made for purchase of a first home, up to \$10,000 per taxpayer and paid within 120 days of distribution.
10	Distributions due to an IRS levy on the qualified retirement plan.
11	Qualified distributions to reservists while serving on active duty for at least 180 days.
12	Other ² . Also, enter this code if more than one exception applies.

Footnotes

¹ Medical insurance for yourself, your spouse, and your dependents (no 7.5% of AGI reduction). All of the following conditions must apply:

- You lost your job.
- You received unemployment compensation paid under any federal or state law for 12 consecutive weeks because you lost your job.
- You receive the distributions during either the year you received the unemployment compensation or the following year.
- You receive the distributions no later than 60 days after you have been reemployed.

² Distributions incorrectly indicated as early distributions by code 1, J, or S in box 7 of Form 1099-R that do not have a specific exception code, such as distributions for the birth or adoption of a child. See Form 5329 Instructions or Publication 590-B for additional exceptions. For additional exceptions that apply to annuities, see Publication 575, Pensions and Annuity Income.

Note: Beginning in 2020, an IRA owner or a participant in a workplace defined contribution plan, such as a 401(k) or 403(b) plan, can withdraw up to \$5,000 for the birth or adoption of a child without incurring the usual 10% additional tax on early distributions. The distribution must be made within one year after the child is born or the adoption is finalized and cannot be from a defined benefit plan. The term "eligible adoptee" means any individual (other than a child of the taxpayer's spouse) who has not attained age 18 or is physically or mentally incapable of self-support. Additionally, if a qualified birth or adoption distribution is received by the taxpayer, one or more contributions can be made to an eligible retirement plan if the taxpayer is a beneficiary of that plan, the plan accepts rollover contributions, and the total of those contributions does not exceed the amount of the qualified birth or adoption distribution.

Additional Taxes on HSAs

Additional taxes for HSA distributions not used for qualified medical expenses are reported on Form 1040 Schedule 2, Additional Taxes. All other additional taxes on HSAs are Out of Scope. See Instructions for Form 8889, Health Savings Accounts (HSAs).

The additional 20% tax does not apply to distributions made after the account beneficiary:

- Dies,
- Becomes disabled, or
- Turns age 65

Payments and Estimates



TaxSlayer Navigation: Federal Section>Payments & Estimates or keyword ESTIMATED PAYMENTS.

Federal or State Income Tax Withheld - Entered automatically from the entries made on Forms W-2, 1099, SSA 1099, etc. For Form 1099 withholding not listed elsewhere, enter in Other Federal Withholdings or Other State Withholdings.

2021 Estimated Tax Payments - Federal and/or State Open Federal Estimated Payments for 2021 or State Estimated Payments and enter:

- Any refund amount from last year that was credited toward estimated taxes for the current year
- Enter actual amount paid in each quarter.

Payments and Estimates	
Federal Estimated Tax Payments Federal tax payments already made for 2020	BEGIN
State Estimated Payments State tax payments already made for 2020	BEGIN
Other Federal Withholdings Federal withholdings you haven't already entered	BEGIN
Other State Withholdings State withholdings you haven't already entered	BEGIN
Underpayment of Estimated Tax Determine if you owe a penalty for underpayment of estimated tax and next steps	BEGIN
Apply Overpayment to Next Year's Taxes Option to apply all or part of your refund to next year's taxes	BEGIN
Vouchers for 2021 Estimated Tax Payments Print vouchers for estimated tax payments	BEGIN
Amount Paid with Extension Amount paid with Form 4868	BEGIN
IRC 1341 Repayment Amount Claim of Right related tax credit	BEGIN

TaxSlayer should not calculate a penalty. If it does, a waiver can be requested. To remove, check the box to request a waiver and use reason of "To be calculated by IRS."

Amount to be Applied to 2022 Estimated Tax
 Enter the amount of overpayment to apply to 2022.

See Tab K, Finishing the Return, Estimated Tax Payments page.

Excess Social Security - Calculated automatically if there are multiple W-2s for an individual and the combined wages exceed the maximum subject to Social Security for the year.

Amount Paid with Extension - Directly enter any payment made. When preparing a prior year return, remember to ask if payments have been made.

* To apply state refunds to next year's taxes, go to State>Payments>Apply Your State Refund

Recovery Rebate Credit

COVID-19 Tax Relief

Did you receive an Economic Impact Payment (stimulus check) in 2020 or 2021?



NOTE:

This information is strictly used to ensure you have received the full amount you are entitled. It will not increase your taxable income or taxes due.

Note: If you haven't received Notice 1444-C, or you can't locate your notice, go to [IRS.gov/Account](https://www.irs.gov/Account) for the amount(s) to enter on the worksheet.

Yes

Enter the First Total Economic Impact Payment Received as Shown on Notice 1444: *

\$

Enter the Second Total Economic Impact Payment Received as Shown on Notice 1444-B: *

\$

No

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Recovery Rebate Credit

Under the CARES Act, joint returns of couples where only one member of the couple had a Social Security number were generally ineligible for a payment – unless they were a member of the military. The Consolidated Appropriations Act, 2021, signed into law on December 27, 2020, expands that provision, and more people are now eligible.

In this situation, these families will now be eligible to receive payments for the taxpayers and qualifying children of the family who have work-eligible SSNs.

Eligible taxpayers who received a smaller-than-expected Economic Impact Payment (EIP) may qualify to receive an additional amount when they file their 2021 federal income tax return. EIPs are technically an advance payment of a temporary tax credit (recovery rebate credit) that eligible taxpayers can claim on their 2021 return.

For additional information, see the Economic Impact Payment Information Center at <https://www.irs.gov/coronavirus/economic-impact-payment-information-center>

You may be able to claim the recovery rebate credit only if your economic impact payments are less than your credit. This happens when:

- You are eligible but were not issued an EIP 3, or
- Your EIP 3 was less than \$1,400 (\$2,800 if married filing jointly) plus \$1,400 for each qualifying dependent you had in 2021.

Credits for Sick Leave and Family Leave for Certain Self-Employed Individuals

Eligible self-employed individuals are allowed an income tax credit to offset their federal self-employment tax for any taxable year equal to their “qualified sick leave equivalent amount” or “qualified family leave equivalent amount.” Note that the American Rescue Plan Act of 2021, enacted March 11, 2021, amended and extended the tax credits for sick and family leave for certain self-employed individuals with respect to the period beginning April 1, 2021, and ending on September 30, 2021. Changes applicable to April 1-September 30 are noted below.

Form 7202, Credits for Sick Leave and Family Leave for Certain Self-Employed Individuals, is used by self-employed individuals to figure these credits.

- Part I figures the credit for sick leave for certain self-employed individuals for the period from January 1 through March 31, 2021. In this section, the number of days claimed are reduced by any days claimed on the 2020 tax return.
- Part II figures the credit for family leave for certain self-employed individuals for the period from January 1 through March 31, 2021. In this section, the number of days claimed are reduced by any days claimed on the 2020 tax return.
- Part III figures the credit for sick leave for certain self-employed individuals for the period from April 1 through September 30, 2021. Days claimed in this section are not reduced by any previously claimed.
- Part IV figures the credit for family leave for certain self-employed individuals for the period from April 1 through September 30, 2021. Days claimed in this section are not reduced by any previously claimed.

These credits will be included on Schedule 3 (Form 1040). There will be two lines for these credits. One line will show the credit amount for leave taken through March 31, 2021 and the other line will show the credit amount for leave taken April 1 through September 30, 2021. Form 7202 is filed separately by each taxpayer with net self-employment earnings, so a joint tax return may have two Forms 7202 attached.

How is the “qualified sick leave equivalent amount” for an eligible self-employed individual calculated?

For an eligible self-employed individual who is unable to work or telework because the individual:

1. Is under Federal, State, or local quarantine or isolation order related to COVID-19;
2. Has been advised by a health care provider to self-quarantine due to concerns related to COVID-19; or
3. Is:
 - a. experiencing symptoms of COVID-19 and seeking a medical diagnosis, or
 - b. seeking or awaiting the results of a diagnostic test for, or a medical diagnosis of, COVID-19 and the employee has been exposed to COVID-19 or the employee’s employer has requested the test or diagnosis, (For dates after March 31, 2021 and through September 30, 2021), or
 - c. obtaining immunization related to COVID–19 or recovering from any injury, disability, illness, or condition related to the immunization; (For dates after March 31, 2021 and through September 30, 2021),

the qualified sick leave equivalent amount is equal to the number of days during the taxable year that the individual cannot perform services in the applicable trade or business for one of the three above reasons, multiplied by the lesser of \$511 or 100 percent of the “average daily self-employment income” of the individual for the taxable year or the prior taxable year.

For an eligible self-employed individual who is unable to work or telework because the individual:

1. Is caring for an individual who is subject to a Federal, State, or local quarantine or isolation order related to COVID-19, or has been advised by a health care provider to self-quarantine due to concerns related to COVID-19;
2. Is caring for a child if the child’s school or place of care of the child has been closed, or the childcare provider of the child is unavailable, due to COVID-19 precautions; or
3. Is experiencing any other substantially similar condition such as:
 - to accompany an individual to obtain immunization related to COVID-19, or
 - to care for an individual who is recovering from any injury, disability, illness, or condition related to the immunization,

the qualified sick leave equivalent amount is equal to the number of days during the taxable year that the individual cannot perform services in the applicable trade or business for one of the three above reasons, multiplied by the lesser of \$200 or 67 percent of the “average daily self-employment income” of the individual for the taxable year or the prior taxable year. In either case, the maximum number of days a self-employed individual may take into account in determining the qualified sick leave equivalent amount cannot exceed 10 days.

Credits for Sick Leave and Family Leave for Certain Self-Employed Individuals (continued)

How is the “qualified family leave equivalent amount” for an eligible self-employed individual calculated?

The qualified family leave equivalent amount with respect to an eligible self-employed individual is an amount equal to the number of days during the taxable year that the self-employed individual cannot perform services for which that individual would be entitled to paid family leave, (if the individual were employed by an Eligible Employer (other than himself or herself)), such as periods during which they are unable to work or telework due to a need for leave to care for their child if the child’s school or place of care has been closed, or because the child care provider of the child is unavailable, due to COVID-19 related reasons, multiplied by the lesser of two amounts: (1) \$200, or (2) 67 percent of the average daily self-employment income of the individual for the taxable year.

Up to 50 days of qualifying leave can be counted toward the Family Leave Credit for the period from January 1 through March 31, 2021. Up to 60 days of qualifying leave can be counted toward the Family Leave Credit for the period from April 1 through September 30, 2021. This can be combined with the sick leave credit, so a taxpayer could be entitled to a credit for pay for up to 12 (or 14 for the period from April 1 through September 30, 2021) weeks – 2 weeks of sick leave and 10 weeks (or 12 weeks for the period from April 1 through September 30, 2021) of family leave. These amounts are limited if the taxpayer also took Families First Coronavirus Response Act family and sick leave as an employee. Employers other than federal government employers, are required to report these amounts either on Form W-2, Box 14, or on a separate statement.

See Form 7202 and instructions for information on calculations.

See the FAQs below for additional information.

- For dates from January 1 through March 31, 2021 see [Tax Credits for Paid Leave Under the Families First Coronavirus Response Act for Leave Prior to April 1, 2021](#)
- For dates from April 1 through September 30, 2021 see [Tax Credits for Paid Leave Under the American Rescue Plan Act of 2021: Specific Provisions Related to Self-Employed Individuals](#)

Note: Average daily self-employment income is an amount equal to the net earnings from self-employment for the taxable year, or prior taxable year, divided by 260. A taxpayer’s net earnings from self-employment are based on the gross income that the individual derives from the taxpayer’s trade or business minus ordinary and necessary trade or business expenses.

Credits for Sick Leave & Family Leave: Form 7202



TaxSlayer Navigation: Federal Section>Deductions>Credits Menu>Credits for Sick Leave and Family Leave for Certain Self-Employed Individuals Form 7202

Form F7202 - Credits for Sick Leave and Family Leave

Who is this Form 7202 for?

Taxpayer

Net earnings from self employment

Adjust your net earnings from self-employment

Were you unable to work due to COVID-19? *

Yes

No

Tell us about any care you received or provided.

I required care for myself.

Number of days you required care

Amount of qualified sick leave wages from employer for when you required care

I provided care to another.

I provided care to my son or daughter because their school or place of care was closed.

CANCEL

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If a day meets the requirements for both the Credit for Sick Leave for Certain Self-Employed Individuals and the Credit for Family Leave for Certain Self-Employed Individuals, you can only count the day once. Don't include the same day for both credits.

Select Yes if the eligible self-employed individual was unable to work or had to care for family members for reasons related to the coronavirus.

Select "I required care for myself" if you were unable to perform services as a self-employed individual because of one or more of the following reasons:

- You were subject to a federal, state, or local quarantine or isolation order related to COVID-19.
- You were advised by a health care provider to self-quarantine due to concerns related to COVID-19.
- You were experiencing symptoms of COVID-19 and seeking a medical diagnosis.

The number of days taken into account for determining the qualified sick leave equivalent amount cannot exceed 10 days.

Select the I provided care to another box if you were unable to perform services as a self-employed individual because of one or more of the following reasons:

- You were caring for an individual who was subject to a federal, state, or local quarantine or isolation order related to COVID-19.
- You were caring for an individual who was advised by a health care provider to self-quarantine due to concerns related to COVID-19.

Select if you were unable to perform services as a self-employed individual because of certain coronavirus-related care you provided to a son or daughter under the age of 18 whose school or place of care is closed or whose child care provider is unavailable for reasons related to COVID-19.

The maximum number of days that can be counted for the period from January 1 through March 31, 2021 is 50.

The maximum number of days that can be counted for the period from April 1 through September 30, 2021 is 60.

Note: Taxpayers may elect to use prior year net earnings from self-employment, to compute the credits for paid sick and family leave. You can make this election if your prior-year net earnings from self-employment were greater than your current year net earnings from self-employment.

Make sure you only include net earnings from your own Schedule SE. Don't include your spouse's net earnings from self-employment.

Note: A son or daughter must generally be under 18 years of age or incapable of self-care because of a mental or physical disability. For more information about who is a son or daughter under the FFCRA, see [DOL.gov/agencies/whd/pandemic/ffcrqa-questions#40](https://www.dol.gov/agencies/whd/pandemic/ffcrqa-questions#40).