

Interest Income



TaxSlayer Navigation: Federal Section>Income>1099-DIV, INT, OID>Interest Income; or Keyword "INT"

Interest and Dividend Income

Interest or Dividend Income

Did you have interest in a foreign bank account?

Exclusion of Interest from Series EE & I US Savings Bonds

If the aggregate value of foreign financial accounts exceeds \$10,000 at any time during the year, the FinCEN Report 114 is required to be filed electronically with Treasury, and the return is Out of Scope.

If U.S. Savings Bond interest is used to pay for higher education expenses, return is Out of Scope.

1099 Description Schedule B

Choose the type of Interest or Dividend item you want to enter:

- Interest Income, Form 1099-INT, (including interest income < 1,500)
- Original Issue Discount, Form 1099-OID
- Dividend Income, Form 1099-DIV
- Seller Financed Interest Income

Form 1099-OID

Type of Transaction
Form 1099-OID

Payer's Name *

Original Issue Discount (Box 1)
\$

Other Periodic Interest (Box 2)
\$

Early Withdrawal Penalty (Box 3)
\$

Federal Tax Withheld (Box 4)
\$

Market Discount (Box 5)
\$

Acquisition Premium (Box 6)
\$

OID on Treasury Obligations (Box 8)
\$

Investment Expenses (Box 9)
\$

Bond Premium (Box 10)
\$

Tax-Exempt OID (Box 11)
\$

Form 1099-OID interest is treated like other interest. Boxes 5 and 10 are in scope.

Return is Out of Scope if there is a FATCA filing requirement, or if an alternative minimum tax is generated on Form 6251. This may occur with a large amount of dividends or interest. Return is also Out of Scope if Form 1099-OID adjustment is needed, no form was received, or there is an entry in Box 6, Acquisition premium.

Interest Income (continued)

Enter each Form 1099-INT separately.

Enter the name of payer. Don't use punctuation.

Enter the taxable interest paid in Box 1. This doesn't include interest shown in Box 3.

The early withdrawal penalty is carried as an adjustment to Schedule 1.

Enter any taxable amount from Box 3 on the Interest on U.S. Savings Bonds and Treasury obligations line.

If 1099-INT shows foreign tax paid, enter it in Box 6 if the taxpayer is eligible to use the Simplified Limitation Election. See Tab G, Nonrefundable Credits, for details.

Interest Income

CANCEL
SAVE & ENTER ANOTHER
CONTINUE

Type of transaction
Interest Income

Payer's Name *

Payer TIN or EIN
 -

Payer's Address
 Check here if foreign address
 Address (street number & name)

ZIP code
 -

City, town, or post office

State

Taxpayer, Spouse, or Joint?

Interest Income (Box 1)
 \$

Early Withdrawal Penalty (Box 2)
 \$

Interest on U.S. Savings Bonds and Treasury obligations (Box 3)
 (Note: Enter Taxable amount only)
 \$

Federal Tax Withheld (Box 4)
 \$

Investment Expenses (Box 5)
 \$

Foreign Tax Withheld (Box 6)
 \$

A warning may appear if tax withheld is more than 40% of Box 1. If your entries are correct, ignore the warning.

Note: Taxpayers who received less than \$10 in interest from one payer may not receive a Form 1099-INT. This income must still be reported. Use the Interest Income Screen as if entering Form 1099-INT information.

Interest Income (continued)

Enter the amount of tax-exempt interest from Box 8 of Form 1099-INT.

The entry for "Specified Private Activity Bond" will automatically carry to Form 6251, Alternative Minimum Tax, when applicable. If the entry into Other Taxes on Form 6251 results in an alternative minimum tax (AMT), the return is Out of Scope.

IMPORTANT – Entries are transferred directly when a state return is added. If state tax law treats the interest differently, include the exempt interest amount and select the state from the drop down list. Generally, interest on U.S. government obligations (such as savings bonds, treasury bonds/bills/notes) is taxable on the federal return but isn't taxable on the state return.

Nominee interest – Interest transferred to another person – Out of Scope.

Accrued interest – Interest paid to seller at time of purchase – Out of Scope.

Bond Premium – If less than the amount reported as interest in Box 1 – In Scope. If greater than the amount reported as interest in Box 1 – Out of Scope.

If any of the tax exempt interest isn't exempt from state taxes, select the Add/Edit button to add a Taxable State Interest item.

Interest on out-of-state municipal bonds isn't taxable on the federal return but is generally taxable on the state return.

Tax Exempt Interest (Box 8)
\$

Specified Private Activity Bond (Box 9)
\$

Market Discount (Box 10)
\$

Bond Premium (Box 11)
\$

Bond Premium on Treasury Obligations (Box 12)
\$

Bond Premium on Tax-exempt bond (Box 13)
\$

Amount of Interest on U.S. Savings Bonds and Treasury Obligations that you want subtracted from your state return.
\$

Taxable State Interest
ADD INTEREST ITEMS

Nominee Interest
\$

Decedent Interest
\$

Accrued Interest
\$

Accrued Market Discount
\$

Enter the state, owner, and amount and select Continue To Next Step.

Taxable State Interest Item

State *
- Please Select -

Owner
 Taxpayer
 Taxpayer
 Spouse
 Joint
 \$



Always enter tax-exempt interest or dividend income. This may affect the amount of Social Security income that is taxable.

Note: Interest on in-state municipal bonds is generally not taxable on the federal and state returns.

Note: Income from a reverse mortgage is not considered a taxable event because it is a loan.

Seller Financed Mortgage Interest



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or Keyword "INT"



Must have identification number of payer to e-file the return.

Schedule B Seller Financed Interest

CANCEL **SAVE & ENTER ANOTHER** **CONTINUE**

Type of transaction
Seller Financed Interest Income

Payer's Name *

Payer's Social Security Number *
 - -

Payer's Address *
Address (street number & name) *

ZIP code *
 -

City, town, or post office *

State *

Interest Income *

Nominee Interest
 Out of scope

Decedent Interest
 Out of scope

Dividend Income (Form 1099-DIV)



TaxSlayer Navigation: Federal Section>Income>1099-DIV, INT, OID>Dividend Income; or Keyword "D"

Dividend Income (Form 1099-DIV)

CANCEL **SAVE & ENTER ANOTHER** **CONTINUE**

Type of transaction
Dividend Income

Payer's Name *

Payer TIN or EIN

 -

Payer's Address

Check here if foreign address

Address (street number & name)

ZIP code

 -

City, town, or post office

State

- Please Select - ▾

Taxpayer, Spouse, or Joint?

Taxpayer ▾

Ordinary Dividends (Box 1a)

\$

Qualified Dividends (amount of ordinary dividends that are considered qualified) (Box 1b)

\$

Capital Gain to Schedule D (Box 2a)

\$

Unrecaptured Section 1250 Gain (Box 2b)

\$

Enter each Form 1099-DIV separately. Enter the name of payer. Don't use punctuation.

In the capital gain line, enter Box 2a total capital gain distributions from a regulated investment company (mutual fund) or real estate investment trust. This entry flows to Schedule D.

Note: A dividend reinvestment plan (DRP) is when the cash dividend is automatically used to buy more shares. The dividend is income and included on Form 1099-DIV. The payer/broker will keep track of the new purchase.

Dividend Income (Form 1099-DIV) (continued)

Section 1202 Gain (Box 2c)
 Out of scope

Collectibles (20%) Gain (Box 2d)
 Out of scope

Nondividend Distributions (Box 3)

Federal Income Tax Withheld (Box 4)

Section 199A dividends (Box 5)

Investment Expenses (Box 6)

Foreign Tax Withheld (Box 7)

Cash Liquidation Distributions (Box 9)
 Out of scope

Noncash Liquidation Distributions (Box 10)
 Out of scope

Exempt Interest Dividends (Box 11)

Specified Private Activity Bond (Box 12)

Amount of Interest on U.S. Savings Bonds and Treasury obligations that you want subtracted from your state tax liability

Taxable State Dividend

Nominee Dividend
 Out of Scope

Decedent Dividend

Nondividend distribution is a return of basis, not taxed until all cost is recovered. The taxpayer must reduce their cost by these distributions at the time of sale. Once all costs are recovered, report as capital gain.

Box 5 amount is carried to qualified business income deduction. No additional entry needed.

An entry in Foreign tax withheld (Box 7) will flow as a foreign tax credit to Form 1040.



CAUTION Only the simplified limitation method is in scope. If total foreign taxes exceed \$300 (\$600 if filing joint), the simplified method cannot be used. In that case Form 1116, Foreign Tax Credit, is required, with International certification only. See Tab G, Nonrefundable Credits for Foreign Tax Credit information.

On the amount of interest on U.S. Savings Bonds and Treasury obligations line, enter dividends from federal bond funds which are fully taxable on the federal return but tax-exempt on the state return.