

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
\$

Taxable State Interest Item

State *
- Please Select -

Owner
Taxpayer
Taxpayer
Spouse
Joint
\$

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



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.