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# TAX SOFTWARE USER GUIDE



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## Preparing a Return

### *Other Taxes*

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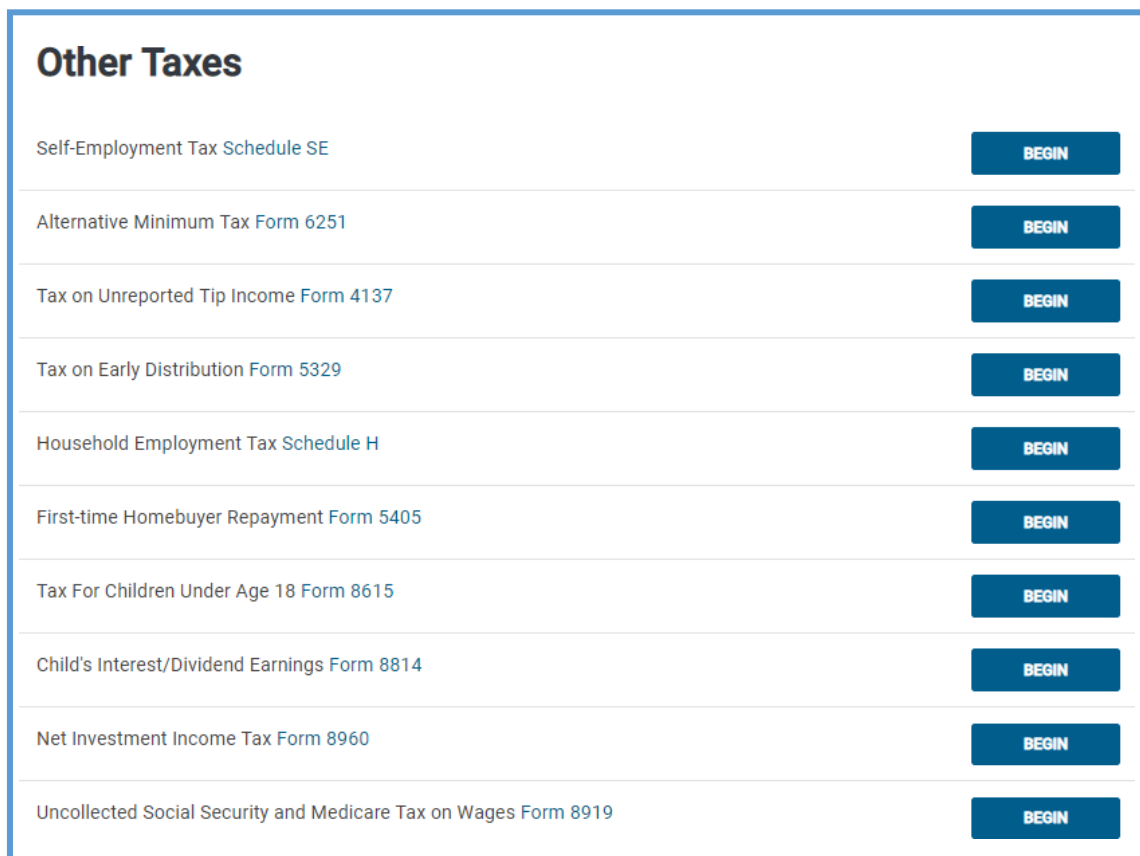
# Entering Other Taxes

After completing this topic, you will be able to:

1. Explain how TaxSlayer Pro Online calculates self-employment tax.
2. Enter unreported Social Security and Medicare taxes.
3. Enter a tax on early distributions.
4. Repay the first time homebuyer credit.
5. Report the tax on a child's interest and dividends.
6. Enter Uncollected Social Security and Medicare tax on wages.

Some taxpayers may have other taxes added to the return. This lesson covers those taxes. To report those taxes, use the following steps:

1. In the Federal Section, find the **Other Taxes** landing page, as shown below:



Other Taxes	
Self-Employment Tax Schedule SE	BEGIN
Alternative Minimum Tax Form 6251	BEGIN
Tax on Unreported Tip Income Form 4137	BEGIN
Tax on Early Distribution Form 5329	BEGIN
Household Employment Tax Schedule H	BEGIN
First-time Homebuyer Repayment Form 5405	BEGIN
Tax For Children Under Age 18 Form 8615	BEGIN
Child's Interest/Dividend Earnings Form 8814	BEGIN
Net Investment Income Tax Form 8960	BEGIN
Uncollected Social Security and Medicare Tax on Wages Form 8919	BEGIN

2. Use this page as the starting point for each section in this lesson.

## Understanding Self-Employment Tax Calculations

Self-employed taxpayers must pay self-employment tax in order to contribute to Social Security and Medicare. If the taxpayer has a business and you entered a Schedule C, TaxSlayer Pro Online automatically calculates self-employment tax and enters it on the tax return. Make sure you entered all income from the self-employed taxpayer or spouse on the Schedule C to calculate the self-employment taxes and the automatic adjustment to income for the deductible portion of this tax.

If you need to enter other income or make adjustments on Schedule SE, you should use the Schedule C to ensure proper calculations in the return.

## Entering Unreported Social Security and Medicare Tax

Taxpayers who receive tips must report those tips in order to contribute to Social Security and Medicare. If the taxpayer has tips included on Forms W-2, TaxSlayer Pro Online automatically calculates this tax and enters it on Form 4137 in the tax return. If the taxpayer has unreported tips not reported elsewhere, you need to adjust the tip income. To do this, use the following steps from the **Other Taxes** landing page:

1. Click **BEGIN** on the **Tax on Unreported Tip Income Form 4137** line.

TaxSlayer Pro Online displays the **Form 4137 Social Security and Medicare Tax on Unreported Tip Income** page:

Form 4137 Social Security and Medicare Tax on  
Unreported Tip Income

Form belongs to  
Taxpayer

Total cash and charge tips you received (including unreported tips)  
\$0.00

Total cash and charge tips reported to your employer and included on Form(s) W-2  
\$0.00

Cash and charge tips you received but did not report to your employer because the total was less than \$20 in a  
calendar month  
\$



Tips received as a Federal, State or Local Government Employee  
\$

2. If this return is for a married couple, select whether you are completing this form for the taxpayer or the spouse.
3. TaxSlayer Pro Online displays the amount of tips already reported. Verify this amount for accuracy.
4. Type the amount of tips not reported to the taxpayer's employer or tips received as a government employee in the appropriate box.
5. Click **Continue**.

TaxSlayer Pro Online displays the **Tax on Unreported Tip Income (Form 4137)** page:

Tax on Unreported Tip Income (Form 4137)

Belongs To

Taxpayer  

6. Click **Continue**.

# Entering a Tax on Early Distributions

Taxpayers who receive distributions on retirement plans may be required to pay a tax on any early distributions. TaxSlayer Pro Online automatically calculates Form 5329 based on the type of distribution. If you need to enter additional information, or an exclusion on the tax, use the following steps from the **Other Taxes** landing page:

1. Click **BEGIN** on the **Tax on Early Distribution Form 5329** line.

TaxSlayer Pro Online displays the **Form 5329** page:

## Form 5329

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### Part I - Additional Tax on Early Distributions

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Form belongs to  
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

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### Part II - Additional Tax on Certain Distributions from Education Accounts

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

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### Part III - Additional Tax on Excess Contributions to Traditional IRAs

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Excess contributions from Line 16 of your prior year Form 5329

Contribution credit

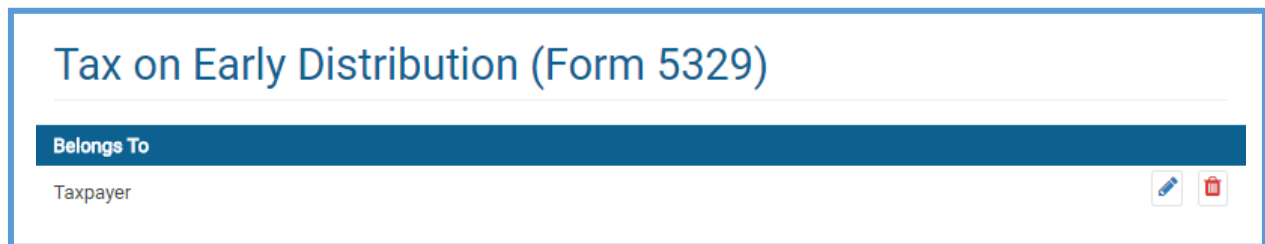
Current Year Traditional IRA Distributions included in income

2. If this return is for a married couple, select whether you are completing this form for the taxpayer or the spouse.
3. Type the amount of any early distributions that qualify for an exclusion of the tax in the appropriate box.
4. Select the reason for exemption of tax from the drop-down list.
5. Click **Continue**.

**TIP:** If the taxpayer needs to waive the additional tax for failure to take a Required Minimum Distribution (RMD), select the appropriate check box.

Check here to claim a waiver on your additional tax for failure to take a Required Minimum Distribution.

TaxSlayer Pro Online displays the **Tax on Early Distribution (Form 5329)** page:



6. Click **Continue**.

## Repaying the First Time Homebuyer's Credit


Some taxpayers who purchased a home in 2008-2011 received a credit for part of the amount of the purchase. Depending on the year, the credit may have been a loan to the taxpayer and must be repaid. If the taxpayer needs to repay the first time homebuyer's credit, use the following steps from the **Other Taxes** landing page:

1. Click **BEGIN** on the **First-time Homebuyer Repayment Form 5405** line.

TaxSlayer Pro Online displays the **Form 5405 – First-Time Homebuyer Credit and Repayment** page:

## Form 5405 - First-Time Homebuyer Credit and Repayment

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

Form belongs to  
Taxpayer

Did the home stop being your primary residence? \*

Yes

No


2. If this return is for a married couple, select whether you are completing this form for the taxpayer or spouse.
3. Answer the question concerning whether the home stopped being the taxpayer's primary residence.



## Change of Main Home

If you selected **Yes**, TaxSlayer Pro Online displays the **Disposition or Change of Main Home** section:

### 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

Did the home stop being your primary residence? \*

Yes  
 No

#### Disposition or Change of Main Home

Date Ceased to be Main Home \*

MM ▼ DD ▼ YYYY ▼

Are you (or your spouse if married) a member of the uniformed services, Foreign Service, or an employee of the intelligence community and the home was sold or ceased to be the main home in connection with Government orders for qualified official extended duty service?

Yes  
 No

4. Select the date the home stopped being the taxpayer's primary residence.
5. Select an answer to the question concerning whether the taxpayer or spouse is a member of uniformed services or other qualified service orders.

If you answer **No** to the question, TaxSlayer Pro Online displays the **Type of Disposition/Change** section:

Type of Disposition/Change

- I sold the home (including through foreclosure) to an unrelated person and had a gain on the sale.
- I sold the home (including through foreclosure) to an unrelated person and DID NOT have a gain on the sale.
- I sold the home to a related person.
- I converted the home to a rental or business use OR I still own the home but no longer use it as my main home.
- I transferred the home to my spouse or ex-spouse as part of my divorce settlement. (Enter the name of your spouse or ex-spouse below.)
- The taxpayer who claimed the credit died.
- My home was destroyed, condemned, or disposed of under threat of condemnation and I had a gain. Check applicable boxes below.
- My home was destroyed, condemned, or disposed of under threat of condemnation and I did not have a gain. Check the applicable boxes below.
- I plan to acquire a new home within 2 years of the event.

6. Select the check box for the reason the home ceased to be the taxpayer's main home.

TaxSlayer Pro Online displays additional sections based on the check box you selected. For this example, TaxSlayer Pro Online displays the **Repayment of Credit** and **Sale of Home** sections:

### Repayment of Credit

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Please enter the full credit amount you received on Form 5405 for 2008, 2009, 2010, or 2011. (This amount would have been 10% of the purchase price up to either \$7,500 or \$8,000) \*

\$

Enter 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.](#)

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### Sale Of Home

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Selling price of home, insurance proceeds, or gross condemnation award \*

\$

Selling expenses (including commissions, advertising and legal fees, and seller-paid loan charges) or expenses in getting the condemnation award

\$

Adjusted basis of home sold (from line 13 of Worksheet 1 in Pub. 523)

\$

Enter the first-time homebuyer credit claimed on Form 5405 minus the amount you repaid with your prior year tax returns \*

\$

7. Read each line and type the applicable amount in the box.
8. Click **Continue**.

## Continued Primary Residence

If you selected **No**, TaxSlayer Pro Online displays the **Repayment of Credit** section:

Form belongs to  
Taxpayer

Did the home stop being your primary residence? \*

Yes

No

### Repayment of Credit

Check here if you purchased your home in 2008.

Please enter the full credit amount you received on Form 5405 for 2008, 2009, 2010, or 2011. (This amount would have been 10% of the purchase price up to either \$7,500 or \$8,000) \*

\$

Enter 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.](#)

1. Read each line carefully and type the appropriate amount in the box.
2. Click **Continue**.

TaxSlayer Pro Online displays the **Form 5405 – First Time Homebuyer Credit and Repayment** page:

## Form 5405 - First-Time Homebuyer Credit and Repayment

Belongs To	Prior Year Credit	Prior Year Repayment	
Taxpayer	\$6,000.00	\$3,000.00	 

3. Click **Continue**.

**NOTE:** Remember to ask the taxpayer if he or she received the first-time homebuyer credit if you complete a Schedule A with either a mortgage interest deduction or a real estate property tax deduction. The taxpayer must repay a minimum of \$500 each year. If you do not enter the minimum repayment for the taxpayer, the IRS will reject the tax return.

## Reporting a Child's Interest and Dividends

Some taxpayers have children who receive investment income. In some cases, the taxpayer can report the child's investment income on his or her tax return instead of filing a separate return for the child. If you need to enter a child's interest and dividend income, use the following steps from the **Other Taxes** landing page:

1. Click **BEGIN** on the **Child's Interest/Dividend Earnings Form 8814** line.

TaxSlayer Pro Online displays the **Form 8814 Child's Interest and Dividends** page:



The screenshot shows the 'Form 8814 Child's Interest and Dividends' page. At the top, there is a title 'Form 8814 Child's Interest and Dividends'. Below the title, there is a section 'Select an Eligible Child \*' with a dropdown menu that currently shows '- Please Select -'. Underneath, there are six input fields, each with a dollar sign (\$) and a label: 'Child's interest', 'Child's tax-exempt interest', 'Child's ordinary dividends', 'Child's qualified dividends', and 'Child's capital gain distributions'. Each field is currently empty.

2. Select an eligible child from the drop-down list.
3. Read each line carefully and type the child's interest and dividends in the appropriate boxes.
4. Click **Continue**.

TaxSlayer Pro Online displays the **Form 8814 Report Childs Interest and Dividend** summary page:

### Form 8814 Report Childs Interest and Dividend

[+ Add a Form 8814 Report Child's Interest and Dividend](#)

Child SSN	Taxable Interest	Taxable Dividend	
xxx-xx-0802	\$500.00	\$0.00	 

[+ Add a Form 8814 Report Child's Interest and Dividend](#)

5. If the taxpayer has more children for which you need to enter interest and dividends, click **Add** and use the same steps to add each child's investment income.
6. When you finish adding children's investment income, click **Continue**.

## Entering Uncollected Social Security and Medicare Tax on Wages

Some taxpayers need to figure and report their share of the uncollected Social Security and Medicare taxes due on compensation. This usually applies if the taxpayer was an employee but treated as an independent contractor by the employer.

1. Click **BEGIN** on the **Uncollected Social Security and Medicare Tax on Wages** line.

TaxSlayer Pro Online displays the **Uncollected Social Security and Medicare Tax on Wages** page:

**Uncollected Social Security and Medicare Tax on Wages**

Who is this Form 8919 for?

SAMPLE RETURN

SPOUSE RETURN

**CANCEL** **CONTINUE**

2. If this return is for a married couple, select whether you are completing this form for the taxpayer or the spouse.
3. Type the employer's name and Federal ID number.
4. Type the date of IRS determination of correspondence.
5. Type the total wages for which the employer did not withhold Social Security or Medicare taxes.
6. Indicate whether the taxpayer received a Form 1099-MISC.
7. Select the reasons the taxpayer needs to file Form 8919.
8. Click **CONTINUE**.

TaxSlayer Pro Online displays the **Uncollected Social Security and Medicare Tax on Wages** page:

**Uncollected Social Security and Medicare Tax on Wages**

+ Add New Form 8919

Owner	Wages	
Taxpayer	15000.00	

+ Add New Form 8919

**CONTINUE**

9. Click **CONTINUE**.

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