

**Premium
Quickfinder[®] Handbook
(2024 Tax Year)**

Post-publication Updates

Replacement Pages for Two-Sided (Duplex) Printing

Instructions: This packet contains “marked up” changes to the pages in the *Premium Quickfinder[®] Handbook* that were affected by developments after the *Handbook* was published.

This is a specially designed update packet for owners of the 3-ring binder version of the *Handbook* who have access to a printer that prints two-sided (duplex). Simply print the entire PDF file (make sure to select two-sided or duplex printing), three-hole punch the pages, and then replace the pages in your *Handbook*. It's that easy.

2024 States Quick Reference



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State Individual Income Tax Quick Reference Chart (2024)

State	Website	Maximum Rate	Return Due Date ¹	Resident Tax Form Number	Accepts Federal Extension?	State Extension/ Payment Voucher
Alabama	https://revenue.alabama.gov	5.00%	April 15	40	No	40V ²
Alaska	https://tax.alaska.gov	N/A—no individual income tax				
Arizona	https://azdor.gov	2.50	April 15	140	Yes	204 ³
Arkansas	www.dfa.arkansas.gov	3.90	April 15	AR1000F	Yes	AR1055-IT ⁴
California	www.ftb.ca.gov	12.30	April 15	540	No	3519 ²
Colorado	https://tax.colorado.gov	4.25	April 15	104	No	0158-1 ²
Connecticut	https://portal.ct.gov/drs	6.99	April 15	CT-1040	Yes	CT-1040EXT ³
Delaware	https://revenue.delaware.gov	6.60	April 30	PIT-RES	No	PIT-EXT
District of Columbia	https://otr.cfo.dc.gov	10.75	April 15	D-40	No	FR-127
Florida	https://floridarevenue.com/taxes	N/A—no individual income tax				
Georgia	https://dor.georgia.gov	5.39	April 15	500	Yes	IT-303 ⁴ /IT-560 ⁵
Hawaii	https://tax.hawaii.gov	11.00	April 20	N-11	No	N-101A ²
Idaho	https://tax.idaho.gov	5.695	April 15	40	No	51 ²
Illinois	https://tax.illinois.gov	4.95	April 15	IL-1040	No	IL505-1 ²
Indiana	https://in.gov/dor	3.05	April 15	IT-40	Yes	IT-9 ³

Table continued on the next page

State Individual Income Tax Quick Reference Chart (2024) (Continued)

State	Website	Maximum Rate	Return Due Date ¹	Resident Tax Form Number	Accepts Federal Extension?	State Extension/ Payment Voucher
Iowa	https://revenue.iowa.gov/taxes	5.70%	April 30	IA 1040	No	IA 1040V ²
Kansas	https://ksrevenue.gov	5.58	April 15	K-40	Yes	K-40V ²
Kentucky	https://revenue.ky.gov	4.00	April 15	740	Yes	740EXT ⁴
Louisiana	https://revenue.louisiana.gov/	4.25	May 15	IT-540	No	R-2868V ^{5,9}
Maine	https://maine.gov/revenue	7.15	April 15	1040ME	No	1040EXT-ME ²
Maryland	https://marylandtaxes.gov	5.75	April 15	502	Yes	PV ⁶
Massachusetts	https://mass.gov/orgs/massachusetts-department-of-revenue	12.00 ¹⁰	April 15	1	No	M-4868 ²
Michigan	https://michigan.gov/taxes	4.25	April 15	MI-1040	Yes	4 ²
Minnesota	https://revenue.state.mn.us	9.85	April 15	M1	No	⁹
Mississippi	https://dor.ms.gov	4.70	April 15	80-105	Yes	80-106 ²
Missouri	https://dor.mo.gov	4.80	April 15	MO-1040	Yes	MO-60 ³
Montana	https://mtrevenue.gov	5.90	April 15	2	No	Form-IT ^{5, 7}
Nebraska	https://revenue.nebraska.gov	5.84	April 15	1040N	Yes	4868N ³
Nevada	https://tax.nv.gov	N/A—no individual income tax				
New Hampshire	https://revenue.nh.gov	7.50	April 15	DP-10/1040-NH	No	DP-59-A ² , BT-EXT ²
New Jersey	https://nj.gov/treasury/taxation/	10.75	April 15	NJ-1040	Yes	NJ-630 ³
New Mexico	https://tax.newmexico.gov	5.90	April 15	PIT-1	Yes	RPD-41096 ³
New York	https://tax.ny.gov	10.90	April 15	IT-201	No	IT-370
North Carolina	https://ncdor.gov	4.50	April 15	D-400	Yes	D-410
North Dakota	https://tax.nd.gov/	2.50	April 15	ND-1	Yes	1014/ND-1EXT ⁵
Ohio	https://tax.ohio.gov	3.50	April 15	IT 1040	Yes	OUPC
Oklahoma	https://oklahoma.gov/tax	4.75	April 15	511	Yes	504-I ³
Oregon	https://oregon.gov/dor	9.90	April 15	OR-40	Yes	40-V ³
Pennsylvania	https://revenue.pa.gov	3.07	April 15	PA-40	Yes	REV-276 ³
Rhode Island	www.tax.ri.gov	5.99	April 15	RI-1040	Yes	RI-4868 ³
South Carolina	https://dor.sc.gov	6.20	April 15	SC1040	Yes	SC4868 ³
South Dakota	https://dor.sd.gov	N/A—no individual income tax				
Tennessee	www.tn.gov/revenue	N/A—no individual income tax				
Texas	https://comptroller.texas.gov/	N/A—no individual income tax				
Utah	https://tax.utah.gov	4.55	April 15	TC-40	No	TC-546 ²
Vermont	https://tax.vermont.gov	8.75	April 15	IN-111	No	IN-151
Virginia	https://tax.virginia.gov	5.75	May 1	760	No	760IP ²
Washington	https://dor.wa.gov	N/A—no individual income tax ¹¹				
West Virginia	https://revenue.wv.gov	5.12	April 15	IT-140	Yes	WV 4868 ³
Wisconsin	https://www.revenue.wi.gov/	7.65	April 15	1	Yes	1-ES ⁸
Wyoming	http://revenue.wyo.gov	N/A—no individual income tax				

¹ See *Return due date* on Page 2-3.

² File only if tax due. If no tax due, return is extended without any action by taxpayer.

³ File if federal Form 4868 not filed or if tax due.

⁴ File if federal Form 4868 not filed.

⁵ Use to pay any tax due.

⁶ File if Form 4868 not filed and tax is due. If Form 4868 not filed and no tax due, request extension online.

⁷ Automatic extension granted if certain requirements met.

⁸ Use to remit payment if tax due. If no federal 4868 filed, attach a statement to the return.

⁹ Extension filed electronically.

¹⁰ Massachusetts has various flat tax rates dependent upon the type of income and elections made. In addition, high-income taxpayers have a 4% surtax.

¹¹ Washington imposes a 7% excise tax on individuals with sales or exchanges of long-term capital assets.

- Recapture taxes.
- Deferred tax on certain installment obligations.
- Tax on an accumulation distribution of a trust.

California form to file:

- Resident: Form 540 (California Resident Income Tax Return).
- Nonresident and part-year resident: Form 540NR (California Nonresident or Part-Year Resident Income Tax Return).

Return due date:

 April 15

Allowable extension. California allows an automatic six-month extension without written request. Tax due is required to be paid with Form FTB 3519 (Payment for Automatic Extension for Individuals) or online at www.ftb.ca.gov/pay/index.html?WT.mc_id=akPayChoices by the original return due date to avoid penalties and interest.

COLORADO

Website: <https://tax.colorado.gov>

Tax assistance: 303-238-7378

2024 Tax Rate

Income tax rate.....	4.25%
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Filing requirements. Colorado income tax return must be filed if the taxpayer is a:

- Full-year resident of Colorado, part-year resident of Colorado with taxable income while a resident *or* nonresident of Colorado with Colorado-source income *and*
- Is required to file a federal income tax return *or* has a current-year Colorado income tax liability.

Colorado form to file:

- Resident, part-year, and nonresident: Form 104 (Colorado Individual Income Tax).
- Part-year and nonresident: Form 104PN (Part-Year Resident/Nonresident Tax Calculation Schedule)—attachment to Form 104.

Return due date:

 April 15

Allowable extension. Colorado allows an automatic six-month extension without written request. To make a payment, use Form DR 0158-I (Extension Payment Voucher for Colorado Individual Income Tax) or pay online at www.colorado.gov/revenueonline.

CONNECTICUT

Website: <https://portal.ct.gov/drs>

Tax assistance: 860-297-5962, CT 800-382-9463

2024 Quick Tax Method—For Taxable Income of:

Single, MFS	\$ 0 – 10,000	× 2.0% ¹	minus \$ 0.00 = Tax
	10,001 – 50,000	× 4.5%	minus 250.00 = Tax
	50,001 – 100,000	× 5.5%	minus 750.00 = Tax
	100,001 – 200,000 ²	× 6.0%	minus 1,250.00 = Tax
	200,001 – 250,000	× 6.5%	minus 2,250.00 = Tax
	250,001 – 500,000	× 6.9%	minus 3,250.00 = Tax
	500,001 and over	× 6.99%	minus 3,700.00 = Tax
MFJ, or QSS	\$ 0 – 20,000	× 2.0% ¹	minus \$ 0.00 = Tax
	20,001 – 100,000	× 4.5%	minus 500.00 = Tax
	100,001 – 200,000	× 5.5%	minus 1,500.00 = Tax
	200,001 – 400,000 ²	× 6.0%	minus 2,500.00 = Tax
	400,001 – 500,000	× 6.5%	minus 4,500.00 = Tax
	500,001 – 1,000,000	× 6.9%	minus 6,500.00 = Tax
	1,000,001 and over	× 6.99%	minus 7,400.00 = Tax
HOH	\$ 0 – 16,000	× 2.0% ¹	minus \$ 0.00 = Tax
	16,001 – 80,000	× 4.5%	minus 400.00 = Tax
	80,001 – 160,000	× 5.5%	minus 1,200.00 = Tax
	160,001 – 320,000 ²	× 6.0%	minus 2,000.00 = Tax
	320,001 – 400,000	× 6.5%	minus 3,600.00 = Tax
	400,001 – 800,000	× 6.9%	minus 5,200.00 = Tax
	800,001 and over	× 6.99%	minus 5,920.00 = Tax

¹ The 2% rate is phased out and amount is taxed at 4.5% for taxpayers with CT AGI > \$56,500 Single, \$50,250 MFS, \$78,500 HOH and \$100,500 MFJ/QSS.

² Additional tax of up to \$3,400 Single/MFS, \$5,320 HOH and \$6,800 MFJ/QSS for taxpayers with CT AGI in excess of \$105,000 Single/MFS, \$168,000 HOH and \$210,000 MFJ/QSS.

Filing requirements. Residents must file if they:

- Have Connecticut income taxes withheld,
- Made estimated or extension tax payment to Connecticut,
- Meet the gross income test (see below),
- Have a federal alternative minimum tax liability or
- Claim the Connecticut earned income tax credit.

Filing status:	Gross income exceeds:
Single.....	\$ 15,000
Filing Separately.....	12,000
HOH.....	19,000
Filing Jointly or QSS.....	24,000

Part-year residents and nonresidents must file if they meet the gross income test and have any Connecticut-source income, have Connecticut withholding or estimated payments or had a federal AMT liability.

Connecticut form to file:

- Resident: Form CT-1040 (Connecticut Resident Income Tax Return).
- Part-year and nonresident: Form CT-1040NR/PY (Connecticut Nonresident and Part-Year Resident Income Tax Return).

Return due date:

 April 15

Allowable extension. Connecticut allows an automatic six-month extension to file if (1) no additional tax due and a federal extension request filed with IRS or (2) the taxpayer pays his expected Connecticut income tax due using a credit card on or before the due date. If additional tax is due and paid with the extension request (or no federal extension was filed), file Form CT-1040 EXT (Application for Extension of Time to File Connecticut Income Tax Return for Individuals).

DELAWARE

Website: <https://revenue.delaware.gov>

Tax assistance: 302-577-8200

2024 Quick Tax Method—For Taxable Income of:

All Filing Statuses	\$ 0 – 2,000	× 0.00%	minus \$ 0.00 = Tax
	2,001 – 5,000	× 2.20	minus 44.00 = Tax
	5,001 – 10,000	× 3.90	minus 129.00 = Tax
	10,001 – 20,000	× 4.80	minus 219.00 = Tax
	20,001 – 25,000	× 5.20	minus 299.00 = Tax
	25,001 – 60,000	× 5.55	minus 387.50 = Tax
	60,001 and over	× 6.60	minus 1,017.51 = Tax

Filing requirements. Residents must file if:

Filing status:	Age:	Delaware AGI exceeds:
Single, MFS, HOH, CU ¹ filing separate	Under 60.....	\$ 9,400
	60 to 64.....	12,200
	65 and over or blind.....	14,700
	65 and over and blind.....	17,200
MFJ, CU ¹ filing joint	Under 60.....	\$ 15,450
	60 to 64.....	17,950
	65 and over or blind.....	20,450
	65 and over and blind.....	22,950
Dependent on another person's return	Under 60.....	\$ 5,250
	60 to 64.....	5,250
	65 and over or blind.....	7,750
	65 and over and blind.....	10,250

¹ Civil Union.

Note: 2024 amounts not available at time of publication. Amounts shown are for 2023.

Part-year residents must file if they:

- Receive income from any source while a Delaware resident or
- Receive Delaware-source income while a Delaware nonresident.

Nonresidents must file if they receive Delaware-source income.

Delaware form to file:

- Resident: Form PIT-RES (Delaware Individual Resident Income Tax Return). Part-year residents may elect to file either a resident or a nonresident return.
- Part-year resident (unless filing as resident) and nonresident: Form PIT-NON (Delaware Individual Non-Resident Income Tax Return).

Return due date: April 30

Extension form. Form PIT-EXT (Application for Automatic Extension of Time to File Delaware Individual Income Tax Return).

Allowable extension. Delaware allows an extension to October 15 by filing Form PIT-EXT.

DISTRICT OF COLUMBIA

Website: <https://otr.cfo.dc.gov>

Tax assistance: 202-727-4829



2024 Quick Tax Method—For Taxable Income of:

All Filing Statuses	\$ 0 – 10,000	× 4.0%	minus	\$ 0.00 = Tax
	10,001 – 40,000	× 6.0	minus	200.00 = Tax
	40,001 – 60,000	× 6.5	minus	400.00 = Tax
	60,001 – 250,000	× 8.5	minus	1,600.00 = Tax
	250,001 – 500,000	× 9.25	minus	3,475.00 = Tax
	500,000 – 1,000,000	× 9.75	minus	5,975.00 = Tax
	1,000,001 and over	× 10.75	minus	15,975.00 = Tax

Filing requirements. Individuals must file if:

- Resident of the District of Columbia and required to file a federal income tax return,
- Permanent residence is the District of Columbia for either part of or the full year,
- Lived in the District of Columbia for 183 days or more (even if permanent residence is elsewhere),
- Member of armed forces and home of record is the District of Columbia.

District of Columbia form to file:

- Resident and part-year resident: Form D-40 (Individual Income Tax Return).
- Nonresident: Form D-40B (Nonresident Request for Refund).

Return due date: April 15

Extension form. Form FR-127 (Extension of Time to File Income Tax Returns).

Allowable extension. Six-month extension allowed with timely filed Form FR-127 and estimated payment.

FLORIDA

Website: <https://floridarevenue.com/taxes>

Tax assistance: 850-488-6800

Filing requirements. There is no personal income tax in Florida.



GEORGIA

Website: <https://dor.georgia.gov>

Tax assistance: 877-423-6711



2024 Tax Rate

Income tax rate.....5.39%

Filing requirements. Residents must file if:

- They are required to file a federal income tax return,
- They have federally exempt income subject to Georgia income tax or
- Income exceeds standard deduction **indicated below.**

Filing Status	Income exceeds:
Single, MFS, HOH, QSS	\$ 12,000
MFJ	\$ 24,000

Part-year residents must file if required to file federal return.

Nonresidents must file if they have Georgia-source income and are required to file a federal return.

Exception: Legal residents of another state are not required to file if their only activity in Georgia is working for an employer where Georgia-source income does not exceed lesser of 5% of total income or \$5,000.

Georgia form to file:

- Resident, part-year, and nonresident: Form 500 (Individual Income Tax Return).
- Part-year and nonresident: Schedule 3 (Computation of Georgia Taxable Income for Only Part-Year Residents and Nonresidents)—attachment to Form 500.

Return due date: April 15

Extension form. Form IT-303 (Application for Extension of Time for Filing State Income Tax Returns).

Allowable extension. Up to six months if taxpayer either:

- Attaches a copy of the federal extension to Georgia return or
- Files Form IT-303.

Pay tax due electronically via the Georgia Tax Center (<https://gtc.dor.ga.gov>) or with Form IT-560 (Individual and Fiduciary Payment Voucher).

HAWAII

Website: <https://tax.hawaii.gov>

Tax assistance: 800-222-3229, 808-587-4242



2024 Quick Tax Method—For Taxable Income of:

Single, MFS	\$ 0 – 2,400	× 1.40%	minus	\$ 0.00 = Tax
	2,401 – 4,800	× 3.20	minus	43.20 = Tax
	4,801 – 9,600	× 5.50	minus	153.60 = Tax
	9,601 – 14,400	× 6.40	minus	240.00 = Tax
	14,401 – 19,200	× 6.80	minus	297.60 = Tax
	19,201 – 24,000	× 7.20	minus	374.40 = Tax
	24,001 – 36,000	× 7.60	minus	470.40 = Tax
	36,001 – 48,000	× 7.90	minus	578.40 = Tax
	48,001 – 150,000	× 8.25	minus	746.40 = Tax
	150,001 – 175,000	× 9.00	minus	1,871.40 = Tax
MFJ, QSS	175,001 – 200,000	× 10.00	minus	3,621.40 = Tax
	200,001 and over	× 11.00	minus	5,621.40 = Tax
	\$ 0 – 4,800	× 1.40%	minus	\$ 0.00 = Tax
	4,801 – 9,600	× 3.20	minus	86.40 = Tax
	9,601 – 19,200	× 5.50	minus	307.20 = Tax
	19,201 – 28,800	× 6.40	minus	480.00 = Tax
	28,801 – 38,400	× 6.80	minus	595.20 = Tax
	38,401 – 48,000	× 7.20	minus	748.80 = Tax
	48,001 – 72,000	× 7.60	minus	940.80 = Tax
	72,001 – 96,000	× 7.90	minus	1,156.80 = Tax
HOH	96,001 – 300,000	× 8.25	minus	1,492.80 = Tax
	300,001 – 350,000	× 9.00	minus	3,742.80 = Tax
	350,001 – 400,000	× 10.00	minus	7,242.80 = Tax
	400,001 and over	× 11.00	minus	11,242.80 = Tax
	\$ 0 – 3,600	× 1.40%	minus	\$ 0.00 = Tax
	3,601 – 7,200	× 3.20	minus	64.80 = Tax
	7,201 – 14,400	× 5.50	minus	230.40 = Tax
	14,401 – 21,600	× 6.40	minus	360.00 = Tax
	21,601 – 28,800	× 6.80	minus	446.40 = Tax
	28,801 – 36,000	× 7.20	minus	561.60 = Tax
	36,001 – 54,000	× 7.60	minus	705.60 = Tax
	54,001 – 72,000	× 7.90	minus	867.60 = Tax
	72,001 – 225,000	× 8.25	minus	1,119.60 = Tax
	225,001 – 262,500	× 9.00	minus	2,807.10 = Tax
	262,501 – 300,000	× 10.00	minus	5,432.10 = Tax
	300,001 and over	× 11.00	minus	8,432.10 = Tax

Filing requirements. Residents, part-year, and nonresidents must file if:

- They are doing business in Hawaii (regardless of income) or
- Their gross income subject to Hawaii tax exceeds the amounts in the following table.

Filing status:	Age:	Hawaii gross income exceeds:
Single, MFS	Under 65.....	\$ 5,544
	65 or older	6,688
MFJ	Both under 65.....	\$ 11,088
	One 65 or older.....	12,232
	Both 65 or older.....	13,376
HOH	Under 65.....	\$ 7,568
	65 or older	8,712
QSS	Under 65.....	\$ 9,944
	65 or older	11,088
Dependent on another return	Amount of dependent's standard deduction	
Nonresident alien	Under 65.....	\$ 1,144
	65 or older	2,288

Nonresidents must prorate the thresholds above by a ratio of Hawaii AGI to total AGI.

Individuals must also file if they owe any of the following taxes:

- Distribution from an individual housing account (Form N-2).
- Tax from the sale of a home (Form N-103).
- Tax on lump-sum distributions (Form N-152).
- Recapture of capital goods excise tax credit (Form N-312).
- Recapture of tax credit for flood victims (Form N-338).
- Recapture of important agricultural land qualified agricultural cost tax credit (Form N-344).
- Recapture of Capital Infrastructure Tax Credit (Form N-348).
- Tax on accumulation distribution of trusts (Form N-405).
- Recapture of low-income housing tax credit (Form N-586).
- Tax from parent's election to report child's interest and dividends (Form N-814).

Hawaii form to file:

- Resident: Form N-11 (Individual Income Tax Return—Resident).
- Part-year and nonresident: Form N-15 (Individual Income Tax Return—Nonresident and Part-Year Resident).

Return due date: April 20

Allowable extension. Hawaii allows an automatic six-month extension without written request if all tax paid by original return due date. Use Form N-200V (Individual Income Tax Payment Voucher) to make a payment.

IDAHO

Website: <https://tax.idaho.gov>

Tax assistance: 800-972-7660, 208-334-7660 (Boise)



2024 Tax Rate

Income tax rate.....	5.695%
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Filing requirements. Residents must file if:

- They are required to file a federal income tax return (unless a federal return is only being filed to pay self-employment tax) or
- Taxable income subject to Idaho tax exceeds the following amounts:

Filing status: ¹	Taxable income exceeds:
Single or MFS	\$4,673
All other filing statuses	\$9,346

¹ Check the Idaho instructions if taxpayer was claimed as a dependent on someone else's return.

Idaho form to file:

- Resident: Form 40 (Idaho Individual Income Tax Return).
- Part-year resident and nonresident: Form 43 (Idaho Part-Year Resident and Nonresident Income Tax Return).

Return due date: April 15

Allowable extension. An automatic six-month extension is allowed without written request. To avoid paying penalty, the taxpayer's tax withholding and other payments must be at least 80% of the current year tax liability or 100% of the prior year tax liability. Use Form 51 (Estimated Payment of Idaho Individual Income Tax) to make a payment.

ILLINOIS

Website: <https://tax.illinois.gov>

Tax assistance: 800-732-8866, 217-782-3336



2024 Tax Rate

Income tax rate.....4.95%

Filing requirements. Residents must file if:

- They are required to file a federal income tax return *or*
- Illinois base income is greater than Illinois exemption allowance.
Illinois exemption allowances:
 - a) \$2,775 for each exemption claimed on federal return,
 - b) Additional \$1,000 per individual for taxpayer (and/or spouse) if 65 or older *and*
 - c) Additional \$1,000 per individual for taxpayer (and/or spouse) if blind.

Part-year residents must file if:

- They earned income from any source while a resident,
- They earned income from Illinois sources while a nonresident *or*
- They are entitled to receive a refund of Illinois income tax.

Nonresidents must file if:

- They earned enough income from Illinois sources to have a tax liability *or*
- They want a refund of any Illinois income tax withheld in error.

Illinois form to file:

- Resident, part-year, and nonresident: Form IL-1040 (Individual Income Tax Return).
- Part-year and nonresident: Schedule NR (Nonresident and Part-Year Resident Computation of Illinois Tax)—attachment to Form IL-1040.

Return due date: April 15

Allowable extension. Automatic six-months without written request. To avoid any late payment penalty and interest, use Form IL-505-I (Automatic Extension Payment for Individuals) to pay any tentative tax due by the original due date of the return.

Reciprocity agreements: Iowa, Kentucky, Michigan, and Wisconsin residents are only required to file Form IL-1040 if Illinois income from sources other than compensation is received or to request a refund of Illinois withholding. Illinois residents working in Iowa, Kentucky, Michigan, and Wisconsin must include income from employers in these states in Illinois income. These states do not tax compensation of Illinois residents.

INDIANA

Website: <https://in.gov/dor>

Tax assistance: 317-232-2240



2024 Tax Rate

Income tax rate.....3.05%

Filing requirements. Residents must file if gross income is greater than exemptions (Indiana allows \$1,000 for each exemption on federal return plus an additional \$1,500 for certain dependent children. Taxpayers who are elderly and or blind receive additional exemptions.)

Part-year residents who receive income while an Indiana resident must file.

Nonresidents must file if they receive income from Indiana sources.

Indiana form to file:

- Resident: Form IT-40 (Indiana Full-Year Resident Individual Income Tax Return).

- Nonresident and part-year resident: Form IT-40PNR (Indiana Part-Year or Full-Year Nonresident Individual Income Tax Return).

Return due date: April 15

Extension form. Form IT-9 (Application for Extension of Time to File).

Allowable extension:

- Indiana allows a seven-month extension if the taxpayer files Form IT-9 and pays at least 90% of tax due by return due date.
- Indiana accepts the federal extension plus allows an additional 30 days beyond the federal extension period. Taxpayers must pay at least 90% of tax due by original return due date.

Reciprocity agreements: Kentucky, Michigan, Ohio, Pennsylvania, and Wisconsin. Full-year residents of these states with only Indiana wage income file Form IT-40RNR (Reciprocal Nonresident Indiana Individual Income Tax Return).

IOWA

Website: <https://revenue.iowa.gov/taxes>

Tax assistance: 515-281-3114, 800-367-3388



2024 Quick Tax Method—For Taxable Income of:

MFJ	\$ 0	\$ 12,420	×	4.40%	minus	\$ 0.00	=	Tax
	12,421	62,100	×	4.82%	minus	52.16	=	Tax
	62,101	—	×	5.70%	minus	598.64	=	Tax
All other taxpayers:	\$ 0	\$ 6,210	×	4.40%	minus	\$ 0.00	=	Tax
	6,211	31,050	×	4.82%	minus	26.08	=	Tax
	31,051	—	×	5.70%	minus	299.32	=	Tax

Filing requirements. Residents must file if:

Filing status:	Net income is:
Single.....	More than \$ 9,000
Single (65 or older).....	More than 24,000
Other than single	More than 13,500
Other than single (one or both spouses 65 or older)	More than 32,000
Dependent on another person's return.....	\$5,000 or more

Note: Net income includes income from both spouses and any pension/retirement income exclusion and any social security phase-out amount must be added back.

Residents must also file if they are:

- In the military service with Iowa legal residence *or*
- Subject to Iowa lump-sum tax.

Nonresidents and part-year residents must file if they have Iowa-source net income of at least \$1,000 (unless their all-source net income is below the income thresholds above) or are subject to Iowa lump-sum tax or Iowa alternative minimum tax.

Iowa form to file:

- Resident, part-year, and nonresident: Form IA 1040 (Iowa Individual Income Tax Form).
- Part-year and nonresident: Form IA 126 (Iowa Nonresident and Part-Year Resident Credit Schedule)—attachment to IA 1040.

Return due date: April 30

Allowable extension. Automatic six-month extension without written request if at least 90% of tax liability is paid. Use IA 1040V (Individual Income Tax Payment Voucher) to make a tax payment.

Reciprocity agreements: Illinois. Iowa residents with Illinois wage income are only taxed in Iowa. Illinois residents with Iowa wage income are only taxed in Illinois.

KANSAS

Website: <https://ksrevenue.gov>

Tax assistance: 785-368-8222

2024 Quick Tax Method—For Taxable Income of:

MFJ	\$ 0 – 46,000 × 5.20%	minus \$ 0.00 = Tax
	46,001 and over × 5.58%	minus 174.80 = Tax
Single, HOH, MFS	\$ 0 – 23,000 × 5.20%	minus \$ 0 = Tax
	23,001 and over × 5.58%	minus 87.40 = Tax

Filing requirements. Residents and part-year residents must file if they are required to file a federal income tax return or Kansas AGI exceeds Kansas standard deduction and exemption allowance.

Residents not required to file a federal return must file based on the following table:

Filing status:	Age:	Gross income of at least:
Single	Under 65.....	\$ 12,765
	65 or older or blind.....	13,615
	65 or older and blind.....	14,465
MFJ	Under 65 (both spouses).....	\$ 26,560
	65 or older or blind (one spouse).....	27,260
	65 or older or blind (both spouses).....	27,960
	65 or older and blind (one spouse).....	27,960
	65 or older or blind (one spouse) and 65 or older and blind (other spouse).....	28,660
	65 or older and blind (both spouses).....	29,360
HOH	Under 65.....	\$ 17,660
	65 or older or blind.....	18,510
	65 or older and blind.....	19,360
MFS	Under 65.....	\$ 13,280
	65 or older or blind.....	13,980
	65 or older and blind.....	14,680

Note: 2025 amounts not available at time of publication. Amounts shown are for 2024

Nonresidents must file if they receive any Kansas-source income.

Kansas form to file:

- Resident, part-year and nonresident: Form K-40 (Kansas Individual Income Tax).
- Part-year and nonresident: Schedule S (Kansas Supplemental Schedule) Part B (Income Allocation for Nonresidents and Part-Year Residents)—attachment to Form K-40.

Return due date: April 15

Allowable extension. Kansas allows a six-month automatic extension if federal Form 4868 is filed with the IRS. Use Form K-40V (Individual Income Tax Payment Voucher) to make an extension payment of Kansas income tax. No extension is required if receiving Kansas refund.

KENTUCKY

Website: <https://revenue.ky.gov>

Tax assistance: 502-564-4581



2024 Tax Rate

Income tax rate.....	4.00%
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Filing requirements. Resident must file if:

- Modified gross income (MGI) exceeds the amount in *Chart A* on Page 2-9 and Kentucky AGI exceeds the amount in *Chart B* on Page 2-9.
- If the filing requirements above are not met, a return must be filed to claim a refund of the Kentucky taxes withheld.

Chart A

Family Size	Modified gross income (MGI) is greater than:
One.....	\$ 15,060
Two.....	20,440
Three.....	25,820
Four or more.....	31,200

MGI: Greater of federal AGI plus tax-exempt interest from municipal bonds (non-Kentucky) plus any lump-sum pension distribution not included in federal AGI or Kentucky AGI plus any lump-sum pension distribution not included in federal AGI.

Chart B

Filing status:	Age:	Kentucky AGI of at least:
Single	Under 65.....	\$ 3,160
	65 or over or blind.....	4,160
	65 or over and blind.....	5,160
Husband and wife	Under age 65 (both spouses).....	\$ 3,160
	65 or over (one spouse).....	4,160
	65 or over (both spouses).....	5,160

Residents must also file if they receive gross receipts from self-employment in excess of MGI for their family size in *Chart A* on Page 2-9.

Nonresidents and part-year residents must file if they receive:

- Income from Kentucky sources and gross income from all sources in excess of MGI for their family size listed in *Chart A* on Page 2-9 or
- Kentucky gross receipts from self-employment exceed MGI for their family size listed in *Chart A* on Page 2-9.

Kentucky form to file:

- Resident: Form 740 (Kentucky Individual Income Tax Return).
- Part-year and nonresident: Form 740-NP (Kentucky Individual Income Tax Return: Nonresident or Part-Year Resident).

Return due date: April 15

Extension form. Form 740EXT (Application for Extension of Time to File).

Allowable extension. Kentucky allows a six-month extension and accepts a copy (attached to the return) of either the federal extension or a separately filed Kentucky extension (Form 740EXT). Use Form 740EXT or a copy of Form 4868 to remit any tax due.

Reciprocity agreements: Illinois, Indiana, Michigan, Ohio, Virginia, West Virginia, and Wisconsin residents are not required to file a Kentucky return if the only Kentucky source income is wages. Check instructions for specific types of income that are covered by reciprocity for each state. Taxpayers who qualify may file Form

740-NP-R (Kentucky Income Tax Return, Nonresident—Reciprocal State) to claim a refund of Kentucky income taxes withheld.

LOUISIANA

Website: <https://revenue.louisiana.gov/>

Tax assistance: 855-307-3893



2024 Quick Tax Method—For Taxable Income of:

Single, MFS, HOH	\$ 0 – 12,500	× 1.85%	minus	\$ 0.00	= Tax
	12,501 – 50,000	× 3.50	minus	206.25	= Tax
	50,001 and over	× 4.25	minus	581.25	= Tax
MFJ, QSS	\$ 0 – 25,000	× 1.85%	minus	\$ 0.00	= Tax
	25,001 – 100,000	× 3.50	minus	412.50	= Tax
	100,001 and over	× 4.25	minus	1,162.50	= Tax

The tax tables also take into consideration a combined personal exemption and standard deduction as follows:

2024 Exemptions and Standard Deductions

Single, MFS	\$ 4,500
MFJ, HOH, or QSS	9,000
The tables also include an exemption for each of the following:	
Taxpayer	\$ 1,000
Spouse	1,000
Each dependent	1,000
Each taxpayer and/or spouse age 65 or older	1,000
Each taxpayer and/or spouse who is blind	1,000
Each resident taxpayer who is a qualifying widow	1,000

Filing requirements:

- Residents must file if required to file a federal income tax return.
- Part-year and nonresidents must file if they have any Louisiana-source income and are required to file a federal income tax return.

Louisiana form to file:

- Resident: Form IT-540 (Louisiana Resident).
- Part-year resident and nonresident (except professional athletes): Form IT-540B (Louisiana Nonresident and Part-Year Resident).
- Nonresident professional athletes: Schedule NRPA-1 (Title Unknown) and NRPA-2 (Title Unknown)—attachment to Form IT-540B

Return due date: May 15

Allowable extension. Louisiana allows an automatic six-month extension without written request. If payment is due, Louisiana allows a six-month extension by requesting online. Pay any tax due with Form R-2868V (Individual Income Tax 2024 Automatic Extension Payment Voucher) if payment not made electronically at <https://latap.revenue.louisiana.gov/>

MAINE

Website: <https://maine.gov/revenue>

Tax assistance: 207-626-8475



2024 Quick Tax Method—For Taxable Income of:

Single, MFS	\$ 0 – 26,049	× 5.80%	minus	\$ 0.00	= Tax
	26,050 – 61,599	× 6.75%	minus	247.47	= Tax
	61,600 and over	× 7.15%	minus	493.86	= Tax
HOH	\$ 0 – 39,049	× 5.80%	minus	\$ 0.00	= Tax
	39,050 – 92,449	× 6.75%	minus	370.97	= Tax
	92,450 and over	× 7.15%	minus	740.76	= Tax
MFJ, QSS	\$ 0 – 52,099	× 5.80%	minus	\$ 0.00	= Tax
	52,100 – 123,249	× 6.75%	minus	494.94	= Tax
	123,250 and over	× 7.15%	minus	987.94	= Tax

Filing requirements. Residents must file if they are:

- Required to file a federal income tax return or
- Subject to Maine income tax resulting in a Maine income tax liability.

Exception: Residents are not required to file if:

- The taxpayer has no addition income modifications reportable on Form 1040ME, Schedule 1, and
- Maine taxable income is less than the sum of the taxpayer's standard deduction (\$14,600 single or MFS, \$29,200 MFJ or QSS, and \$21,900 HOH) plus personal exemption amount (\$5,000 per person). Additional standard deduction amounts for age and/or blindness apply (\$1,550 per spouse if MFJ, MFS or QSS, and \$1,950 if single or HOH).

Part-year residents must file if they have income subject to Maine income tax resulting in a Maine income tax liability.

Nonresidents and *safe harbor* residents must file if they have Maine-source income resulting in a Maine income tax liability.

Exception: No return required for nonresidents who worked in Maine as an employee for 12 days or less if Maine income from all sources is \$3,000 or less.

Maine form to file:

- Resident, *safe harbor* resident, part-year resident, nonresident, and nonresident alien: Form 1040ME (Maine Individual Income Tax).
- Part-year residents, *safe harbor* residents, and nonresidents file one of the following as an attachment to Form 1040ME:
 - Schedule NR (Schedule for Calculating the Nonresident Credit) or
 - Schedule NRH (Schedule for Apportionment and for Calculating the Nonresident Credit for Married Person Electing to File Single).

Return due date: April 15

Allowable extension. Maine allows an automatic six-month extension without written request. Requests for additional time to file must be submitted in writing prior to the expiration of the six-month period. The total extension period cannot exceed eight months. Use Form 1040EXT-ME (Extension Payment Voucher for Individual Income Tax) to make payments or pay tax online at revenue.maine.gov and eliminate the necessity of filing the form.

MARYLAND

Website: <https://marylandtaxes.gov>

Tax assistance: 410-260-7980, 800-638-2937



2024 Quick Tax Method—For Taxable Income of:

Single, MFS	\$ 0 – 1,000	× 2.00%	minus	\$ 0.00	= Tax
	1,001 – 2,000	× 3.00	minus	10.00	= Tax
	2,001 – 3,000	× 4.00	minus	30.00	= Tax
	3,001 – 100,000	× 4.75	minus	52.50	= Tax
	100,001 – 125,000	× 5.00	minus	302.50	= Tax
	125,001 – 150,000	× 5.25	minus	615.00	= Tax
	150,001 – 250,000	× 5.50	minus	990.00	= Tax
	250,001 and over	× 5.75	minus	1,615.00	= Tax
MFJ, HOH, QSS	\$ 0 – 1,000	× 2.00%	minus	\$ 0.00	= Tax
	1,001 – 2,000	× 3.00	minus	10.00	= Tax
	2,001 – 3,000	× 4.00	minus	30.00	= Tax
	3,001 – 150,000	× 4.75	minus	52.50	= Tax
	150,001 – 175,000	× 5.00	minus	427.50	= Tax
	175,001 – 225,000	× 5.25	minus	865.00	= Tax
	225,001 – 300,000	× 5.50	minus	1,427.50	= Tax
	300,001 and over	× 5.75	minus	2,177.50	= Tax

Filing requirements. Residents and part-year residents must file if:

Filing status:	Age:	Maryland gross income of at least:
Single	Under 65	\$ 14,600
	65 or over	16,550
MFJ	Both under 65	\$ 29,200
	One spouse 65 or over	30,750
	Both spouses 65 or over	32,300
MFS	Any age	\$ 14,600
HOH	Under 65	\$ 21,900
	65 or over	23,850
QSS	Under 65	\$ 29,200
	65 or over	30,750

Nonresidents must file if they have Maryland-sourced income and must file a federal return because their gross income is at least equal to the threshold amounts in the table above.

Maryland form to file:

- Resident and part-year resident: Form 502 (Maryland Resident Income Tax Return).
- Nonresident: Form 505 (Maryland Nonresident Income Tax Return).
- All filers: Form PV (Personal Tax Payment Voucher for Form 502/505, Estimated Tax and Extensions).

Return due date: April 15

Allowable extension. Maryland allows a six-month extension if a federal extension is filed and no tax is due. Form PV must be filed only to make a payment. If a federal extension was not filed, an extension may be filed online at www.marylandtaxes.gov or by phone at 410-260-7829.

Reciprocity agreements. District of Columbia, Pennsylvania (certain jurisdictions), Virginia, and West Virginia residents are not required to file a Maryland return, if only source of Maryland income is wages.

MASSACHUSETTS

Website: <https://mass.gov/orgs/massachusetts-department-of-revenue>

Tax assistance: 617-887-6367, MA 800-392-6089



2024 Tax Rate

Income tax rate	5.00% ¹
Optional tax rate	5.85%
Rate on certain investment income	12.00% ²

¹ Taxpayers with taxable income over \$1,053,750 have an additional 4% surtax on the income in excess of \$1,053,750.

² Effective for tax years beginning January 1, 2023, short-term capital gains will be taxed at 8.5%.

Filing requirements. Residents and part-year residents are required to file if gross income (from all sources) is more than \$8,000. Nonresidents are required to file if they receive Massachusetts-source income that exceeds the lesser of \$8,000 or the personal exemption multiplied by the ratio of Massachusetts income to total income. Personal exemptions are: \$4,400 Single or MFS, \$6,800 HOH and \$8,800 MFJ.

Massachusetts form to file:

- Resident: Form 1 (Massachusetts Resident Income Tax Return).
- Part-year and nonresident: Form 1-NR/PY (Massachusetts Nonresident/Part-Year Tax Return).

Return due date: April 15

Allowable extension. Automatic six-month extension granted if no tax due. If tax due, file Form M-4868 (Massachusetts Extension

Payment Voucher) to remit tax due (payments of \$5,000 or more must be made electronically).

MICHIGAN

Website: <https://michigan.gov/taxes>

Tax assistance: 517-636-4486



2024 Tax Rate

Income tax rate	4.25%
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Filing requirements. Residents, part-year, and nonresidents must file if they owe Michigan tax or their Michigan AGI exceeds their exemption allowance. Michigan taxpayers should file a Michigan return if a federal tax return was filed even if Michigan tax is not owed. This will eliminate unnecessary correspondence from the Michigan Department of Treasury. Michigan allows \$5,400 for each exemption claimed on the federal return. Additional exemptions are allowed for individuals with certain disabilities.

Dependents who are claimed on another person's return must file if AGI is over \$1,500 (single or MFS) or \$3,000 (MFJ).

Michigan form to file:

- Resident, part-year, and nonresident: Form MI-1040 (Michigan Individual Income Tax Return).
- Part-year and nonresident: Schedule NR (Nonresident and Part-Year Resident Schedule)—attachment to Form MI-1040.

Return due date: April 15

Extension form. Form 4 (Application for Extension of Time to File Michigan Tax Returns).

Allowable extension. Michigan allows a six-month extension if a federal extension was requested. If federal return was not extended, Michigan will grant a 180-day extension. File Form 4 only if submitting a payment of Michigan tax due.

Reciprocity agreements. Illinois, Indiana, Kentucky, Minnesota, Ohio, and Wisconsin residents are only required to file MI-1040 if Michigan income from sources other than wages is received or to request a refund of Michigan withholding.

MINNESOTA

Website: <https://revenue.state.mn.us>

Tax assistance: 651-296-3781, MN 800-652-9094



2024 Quick Tax Method—For Taxable Income of:

Single	\$ 0 – 31,690	x 5.35%	minus \$ 0.00	= Tax
	31,691 – 104,090	x 6.80%	minus 459.51	= Tax
	104,091 – 193,240	x 7.85%	minus 1,552.45	= Tax
	193,241 and over	x 9.85%	minus 5,417.25	= Tax
MFJ or QSS	\$ 0 – 46,330	x 5.35%	minus \$ 0.00	= Tax
	46,331 – 184,040	x 6.80%	minus 671.79	= Tax
	184,041 – 321,450	x 7.85%	minus 2,604.21	= Tax
	321,451 and over	x 9.85%	minus 9,033.21	= Tax
HOH	\$ 0 – 39,010	x 5.35%	minus \$ 0.00	= Tax
	39,011 – 156,760	x 6.80%	minus 565.65	= Tax
	156,761 – 256,880	x 7.85%	minus 2,211.63	= Tax
	256,881 and over	x 9.85%	minus 7,349.23	= Tax
MFS	\$ 0 – 23,165	x 5.35%	minus \$ 0.00	= Tax
	23,166 – 92,020	x 6.80%	minus 335.89	= Tax
	92,021 – 160,725	x 7.85%	minus 1,302.10	= Tax
	160,726 and over	x 9.85%	minus 4,516.60	= Tax

Filing requirements. Residents must file if their income exceeds the following amounts: Single—\$14,575; MFS—\$14,575; MFJ/QSS—\$29,150; HOH—\$21,900. Add \$1,950 if age 65 or older or blind (\$1,550 if MFJ/MFS/QSS).

Part-year and nonresidents must file if Minnesota gross income is \$14,575 or more.

Minnesota form to file:

- Resident, part-year, and nonresident: Form M1 (Minnesota Individual Income Tax).
- Part-year and nonresident: Schedule M1NR (Nonresidents/Part-Year Residents)—attachment to Form M1.

Return due date: April 15

Allowable extension. If no tax is due, an automatic six-month extension is granted. If tax is due, it must be paid using the e-Services Payment System at <https://www.mndor.state.mn.us/tp/online-services/> or by credit/debit card or check/money order (using a payment voucher created on e-Services).

Reciprocity agreements. Michigan and North Dakota. Full-year residents of these states who returned to their home state at least once a month and whose only Minnesota income was from performing personal services are not subject to Minnesota tax.

MISSISSIPPI

Website: <https://dor.ms.gov>

Tax assistance: 601-923-7700

2024 Quick Tax Method—For Taxable Income of:					
All Filing Statuses	\$	0 – 10,000	×	0%	minus \$ 0 = Tax
		10,001 and over	×	4.7%	minus 470 = Tax
Note: Married individuals filing a combined return apply the tax rate schedule separately and combine the separate tax amounts to calculate total income tax.					

Filing requirements. Residents must file if:

Filing status:	Gross income exceeds:
Single.....	\$8,300 plus \$1,500 for each dependent.
Married	\$16,600 (both spouses) plus \$1,500 per dependent.

Part-year and nonresidents must file if they receive income taxed by Mississippi. Part-year residents are taxed on income earned while a resident of Mississippi. Nonresidents are taxed on income earned from Mississippi sources (other than gambling income).

Mississippi form to file:

- Resident: Form 80-105 (Mississippi Resident Individual Income Tax Return).
- Part-year and nonresident: Form 80-205 (Mississippi Non-Resident/Part-Year Resident Individual Income Tax Return).

Return due date: April 15

Allowable extension. Mississippi allows an automatic six-month extension if a federal extension is filed. If tax is due, it must be paid by the original return due date using Form 80-106 (Individual/Fiduciary Income Tax Payment Voucher).

MISSOURI

Website: <https://dor.mo.gov>

Tax assistance: 573-751-3505

2024 Quick Tax Method—For Taxable Income of:					
All filing statuses	\$	0 – 1,273	×	0.00%	minus \$ 0.00 = Tax
		1,274 – 2,546	×	2.00%	minus 25.46 = Tax
		2,547 – 3,819	×	2.50%	minus 38.19 = Tax
		3,820 – 5,092	×	3.00%	minus 57.29 = Tax
		5,093 – 6,365	×	3.50%	minus 82.75 = Tax
		6,366 – 7,638	×	4.00%	minus 114.57 = Tax
		7,639 – 8,911	×	4.50%	minus 152.76 = Tax
		8,912 and over	×	4.80%	minus 179.49 = Tax
Note: If filing a combined return and both persons have income, apply the tax rate schedule separately and combine the separate tax amounts to calculate total income tax.					

Filing requirements. Taxpayers must file a Missouri return if required to file a federal income tax return unless the taxpayer:

- Is a resident with less than \$1,200 of Missouri AGI,
- Is a nonresident with less than \$600 of Missouri income or
- Has Missouri AGI that is less than his standard deduction.

Missouri form to file:

- Resident, part-year, and nonresident: Form MO-1040 (Individual Income Tax Return).
- Part-year and nonresident: Form MO-NRI (Missouri Income Percentage)—attachment to Form MO-1040. Alternatively, part-year residents can file Form MO-CR (Credit for Income Taxes Paid to Other States).

Return due date: April 15

Extension form. Form MO-60 (Application for Extension of Time to File).

Allowable extension. Missouri allows an automatic six-month extension if a federal extension is filed. File Form MO-60 to remit any tax due.

MONTANA

Website: <https://mtrevenue.gov>

Tax assistance: 406-444-6900

2024 Quick Tax Method—For Taxable Income of:					
Single, MFS	\$	0 – 20,500	×	4.7%	minus \$ 0 = Tax
		20,501 – —	×	5.9%	minus 246 = Tax
MFJ, QSS	\$	0 – 41,000	×	4.7%	minus \$ 0 = Tax
		41,001 – —	×	5.9%	minus 492 = Tax
HOH	\$	0 – 30,750	×	4.7%	minus \$ 0 = Tax
		30,751 – —	×	5.9%	minus 369 = Tax
Note: These tax brackets apply to ordinary income only. Montana taxes long-term capital gains at different rates, ranging from 3.0%–4.1%, based on a taxpayer's ordinary income.					

Filing requirements. Residents, part-year, and nonresidents must file if they have Montana-source income and:

Filing status:	and gross income is at least:
Single.....	\$ 14,600
HOH.....	\$ 21,900
MFJ.....	\$ 29,200

Montana form to file:

- Resident, part-year, and nonresident: Form 2 (Montana Individual Income Tax Return).
- Part-year and nonresident: Schedule IV (Nonresident/Part-Year Resident Tax)—attachment to Form 2.

Return due date: April 15

Allowable extension. An automatic six-month extension is granted. Form IT (Montana Individual Income Tax Payment Voucher) is used if tax is due (or payment can be made online).

Reciprocity agreements. North Dakota. Residents of North Dakota are not required to file a Montana return if the only source of Montana income is wages.

NEBRASKA

Website: <https://revenue.nebraska.gov>

Tax assistance: 402-471-5729, NE and
IA 800-742-7474

2024 Quick Tax Method—For Taxable Income of:

Single, MFS	\$ 0 – 3,900 × 2.46%	minus	\$ 0.00 = Tax
	3,901 – 23,370 × 3.51%	minus	40.95 = Tax
	23,371 – 37,670 × 5.01%	minus	391.50 = Tax
	37,671 and over × 5.84%	minus	704.16 = Tax
MFJ, QSS	\$ 0 – 7,790 × 2.46%	minus	\$ 0.00 = Tax
	7,791 – 46,760 × 3.51%	minus	81.80 = Tax
	46,761 – 75,340 × 5.01%	minus	783.20 = Tax
	75,341 and over × 5.84%	minus	1,408.52 = Tax
HOH	\$ 0 – 7,270 × 2.46%	minus	\$ 0.00 = Tax
	7,271 – 37,400 × 3.51%	minus	76.34 = Tax
	37,401 – 55,850 × 5.01%	minus	637.34 = Tax
	55,851 and over × 5.84%	minus	1,100.89 = Tax

Filing requirements. Residents must file if **they are required to file a federal return and report a federal liability before credits** or have \$5,000 or more of Nebraska adjustments to federal AGI. Nonresidents and part-year with Nebraska-source income must file.

Nebraska form to file:

- Resident, part-year, and nonresident: Form 1040N (Nebraska Individual Income Tax Return).

- Part-year and nonresident: Schedule III (Computation of Nebraska Tax for Partial-Year Residents and Nonresidents Only)—attachment to Form 1040N.

Return due date: April 15

Extension form. Form 4868N (Nebraska Application for Automatic Extension of Time to File a Nebraska Individual Income Tax Return).

Allowable extension. Nebraska accepts a federal extension. File Form 4868N if federal extension not granted or to make a tax payment.

NEVADA

Website: <https://tax.nv.gov>

Tax assistance: 866-962-3707

Filing requirements. Nevada does not have an individual income tax.

NEW HAMPSHIRE

Website: <https://revenue.nh.gov>

Tax assistance: 603-230-5000

2024 Tax Rate

Interest and dividend tax rate (Form DP-10)	3.0%
Proprietor business profits tax rate (Form NH-1040)	7.5%

Filing requirements. Residents and part-year residents must file Form DP-10 if:

Filing status:	Taxable interest and/or dividend income exceeds:
Single.....	\$ 2,400
Joint.....	4,800

Proprietors carrying on business activity within New Hampshire must file Form NH-1040 if they had gross income in excess of \$50,000 from self-employment reported on federal Schedule C; income from rental, including farm rental, reported on federal Schedule E or farm income reported on federal Schedule F. Gain or loss on assets used in one of these businesses must also be considered.

New Hampshire form to file. Individuals who were New Hampshire residents for any part of the tax year: Form DP-10 (Interest and Dividends Tax Return); Form NH-1040 (Proprietorship Business Profits Tax Return).

Return due date: April 15

Extension forms. Form DP-59-A (Payment Form and Application for 7-Month Extension of Time to File Interest and Dividends Tax Return) and Form BT-EXT (Payment Form and Application for 7-Month Extension of Time to File Business Tax Return).

Allowable extension. New Hampshire allows an automatic seven-month extension without written request if 100% of tax is paid by the original return due date. File Form DP-59-A or Form BT-EXT to make additional payments.

NEW JERSEY

Website: <https://nj.gov/treasury/taxation/>

Tax assistance: 609-292-6400



2024 Quick Tax Method—For Taxable Income of:

Single, MFS, CU ¹ (partner)	\$ 0 – 20,000	× 1.400%	minus \$ 0.00	= Tax
	20,001 – 35,000	× 1.750	minus 70.00	= Tax
	35,001 – 40,000	× 3.500	minus 682.50	= Tax
	40,001 – 75,000	× 5.525	minus 1,492.50	= Tax
	75,001 – 500,000	× 6.370	minus 2,126.25	= Tax
	500,001 – 1,000,000	× 8.970	minus 15,126.25	= Tax
	1,000,001 and over	× 10.750	minus 32,926.25	= Tax
MFJ, HOH, QSS, CU ¹ (couple)	\$ 0 – 20,000	× 1.400%	minus \$ 0.00	= Tax
	20,001 – 50,000	× 1.750	minus 70.00	= Tax
	50,001 – 70,000	× 2.450	minus 420.00	= Tax
	70,001 – 80,000	× 3.500	minus 1,154.50	= Tax
	80,001 – 150,000	× 5.525	minus 2,775.00	= Tax
	150,001 – 500,000	× 6.370	minus 4,042.50	= Tax
	500,001 – 1,000,000	× 8.970	minus 17,042.50	= Tax
	1,000,001 and over	× 10.750	minus 34,842.50	= Tax

¹ Civil Union.

Filing requirements. Residents, part-year, and nonresidents must file if:

Filing status:	Gross income from all sources everywhere exceeds:
Single, MFS, CU partner filing separate	\$ 10,000
MFJ, HOH, QSS, CU couple filing joint	20,000

Nonresidents and part-year residents must file a return if their gross income was more than the threshold amounts even if their New Jersey sourced income was equal to or less than such amounts.

New Jersey form to file:

- Resident and part-year resident: NJ-1040 (Income Tax—Resident Return).
- Nonresident (and part-year residents if NJ-source income received while nonresident): NJ-1040NR (Income Tax—Nonresident Return).

Return due date: April 15

Extension form. Form NJ-630 (Application for Extension of Time to File New Jersey Gross Income Tax Return).

Allowable extension. New Jersey allows up to a six-month extension if at least 80% of tax due is paid and the taxpayer attaches a copy of federal Form 4868 to New Jersey return or files NJ Form NJ-630. Use Form NJ-630 to remit any tax due.

Reciprocity agreements. Pennsylvania. Compensation to Pennsylvania residents employed in New Jersey is not subject to New Jersey income tax.

NEW MEXICO

Website: <https://tax.newmexico.gov>

Tax assistance: 505-827-0700; 866-285-2996



2024 Quick Tax Method—For Taxable Income of:

Single	\$ 0 – 5,500	× 1.70%	minus \$ 0.00	= Tax
	5,501 – 11,000	× 3.20	minus 82.50	= Tax
	11,001 – 16,000	× 4.70	minus 247.50	= Tax
	16,001 – 210,000	× 4.90	minus 279.50	= Tax
	210,001 and over	× 5.90	minus 2,379.50	= Tax
MFJ, HOH or QSS	\$ 0 – 8,000	× 1.70%	minus \$ 0.00	= Tax
	8,001 – 16,000	× 3.20	minus 120.00	= Tax
	16,001 – 24,000	× 4.70	minus 360.00	= Tax
	24,001 – 315,000	× 4.90	minus 408.00	= Tax
	315,001 and over	× 5.90	minus 3,558.00	= Tax
MFS	\$ 0 – 4,000	× 1.70%	minus \$ 0.00	= Tax
	4,001 – 8,000	× 3.20	minus 60.00	= Tax
	8,001 – 12,000	× 4.70	minus 180.00	= Tax
	12,001 – 157,500	× 4.90	minus 204.00	= Tax
	157,501 and over	× 5.90	minus 1,779.00	= Tax

Filing requirements. Residents must file if they are required to file a federal income tax return.

Nonresidents and part-year residents must file if they are required to file a federal income tax return and receive New Mexico-source income.

New Mexico form to file:

- Resident, part-year, and nonresident: Form PIT-1 (New Mexico Personal Income Tax Return).
- Resident, part-year, and nonresident who allocate and apportion income from both inside and outside of New Mexico: Form PIT-B (Schedule of New Mexico Allocation and Apportionment of Income)—attachment to Form PIT-1.

Return due date: April 15; **April 30** if both federal and New Mexico return are filed electronically.

Extension form. Form RPD-41096 (Application for Extension of Time to File).

Allowable extension. Automatic six months if federal Form 4868 is filed. If additional time is needed or federal Form 4868 is not filed, file Form RPD-41096. Payments can be made using Form PIT-EXT (Personal Income Tax Extension Payment Voucher).

NEW YORK

Website: <https://tax.ny.gov>

Tax assistance: 518-457-5181



2024 NY State Quick Tax Method—For Taxable Income of:

Single, MFS	\$	0 –	8,500 ×	4.00% minus	\$	0 =	Tax
		8,501 –	11,700 ×	4.50 minus		43 =	Tax
		11,701 –	13,900 ×	5.25 minus		130 =	Tax
		13,901 –	80,650 ×	5.50 minus		165 =	Tax
		80,651 –	215,400 ×	6.00 minus		568 =	Tax
		215,401 –	1,077,550 ×	6.85 minus		2,399 =	Tax
		1,077,551 –	5,000,000 ×	9.65 minus		32,571 =	Tax
		5,000,001 –	25,000,000 ×	10.30 minus		65,071 =	Tax
		25,000,001 and over	×	10.90 minus		215,071 =	Tax
MFJ, QSS	\$	0 –	17,150 ×	4.00% minus	\$	0 =	Tax
		17,151 –	23,600 ×	4.50 minus		86 =	Tax
		23,601 –	27,900 ×	5.25 minus		263 =	Tax
		27,901 –	161,550 ×	5.50 minus		333 =	Tax
		161,551 –	323,200 ×	6.00 minus		1,140 =	Tax
		323,201 –	2,155,350 ×	6.85 minus		3,887 =	Tax
		2,155,351 –	5,000,000 ×	9.65 minus		64,237 =	Tax
		5,000,001 –	25,000,000 ×	10.30 minus		96,737 =	Tax
		25,000,001 and over	×	10.90 minus		246,737 =	Tax
HOH	\$	0 –	12,800 ×	4.00% minus	\$	0 =	Tax
		12,801 –	17,650 ×	4.50 minus		64 =	Tax
		17,651 –	20,900 ×	5.25 minus		196 =	Tax
		20,901 –	107,650 ×	5.50 minus		249 =	Tax
		107,651 –	269,300 ×	6.00 minus		787 =	Tax
		269,301 –	1,616,450 ×	6.85 minus		3,076 =	Tax
		1,616,451 –	5,000,000 ×	9.65 minus		48,337 =	Tax
		5,000,001 –	25,000,000 ×	10.30 minus		80,837 =	Tax
		25,000,001 and over	×	10.90 minus		230,837 =	Tax

Note: If NY AGI is more than \$107,650, the graduated tax rates above are phased out.

2024 NYC Quick Tax Method—for Taxable Income of:

Single, MFS	\$	0 –	12,000 ×	3.078% minus	\$	0.00 =	Tax
		12,001 –	25,000 ×	3.762 minus		82.00 =	Tax
		25,001 –	50,000 ×	3.819 minus		96.00 =	Tax
		50,001 and over	×	3.876 minus		125.00 =	Tax
MFJ, QSS	\$	0 –	21,600 ×	3.078% minus	\$	0.00 =	Tax
		21,601 –	45,000 ×	3.762 minus		148.00 =	Tax
		45,001 –	90,000 ×	3.819 minus		173.00 =	Tax
		90,001 and over	×	3.876 minus		225.00 =	Tax
HOH	\$	0 –	14,400 ×	3.078% minus	\$	0.00 =	Tax
		14,401 –	30,000 ×	3.762 minus		98.00 =	Tax
		30,001 –	60,000 ×	3.819 minus		116.00 =	Tax
		60,001 and over	×	3.876 minus		150.00 =	Tax

Filing requirements. Residents must file if they are:

- Required to file a federal return or
- Not required to file a federal return, but:

Federal filing status would have been:	Federal AGI plus New York additions exceeds:
Single and can be claimed as dependent on another person's return	\$ 3,100
All others.....	4,000

• To claim a refund of state or city income taxes withheld from taxpayer's pay.

• To claim any of the refundable or carryover credits available.

Part-year and nonresidents are required to file if:

Federal filing status:	Received New York-source income and New York AGI exceeds:
Single and can be claimed as dependent on another person's return	\$ 3,100
Single and cannot be claimed as dependent on another person's return	8,000
MFJ.....	16,050
MFS	8,000
HOH.....	11,200
QSS	16,050

Part-year and nonresidents are also required to file if any of the following apply:

- They are subject to separate tax on lump-sum distributions derived from or connected to New York sources (part-year residents).
- They incurred a New York NOL without incurring a similar federal NOL.
- To claim a refund of state or city income taxes withheld from taxpayer's pay.
- To claim any of the refundable or carryover credits available.

New York form to file:

- Resident: Form IT-201 (Resident Income Tax Return).
- Part-year and nonresident: Form IT-203 (Nonresident and Part-Year Resident Income Tax Return).

Return due date: April 15

Extension form. Form IT-370 (Application for Automatic Six-Month Extension of Time to File for Individuals).

Allowable extension. To request an automatic six-month extension, file Form IT-370 and remit any tax due. A copy of the federal extension is not accepted.

NORTH CAROLINA

Website: <https://ncdor.gov>

Tax assistance: 877-252-3052



2024 Tax Rate

Income tax rate.....	4.50%
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Filing requirements. Every resident whose income for the year exceeds the amount for his filing status as shown in the following chart must file a return:

Filing status	A return is required if federal gross income exceeds
Single.....	\$ 12,750
MFJ.....	25,500
MFS if spouse does not claim itemized deductions.....	12,750
MFS if spouse claims itemized deductions.....	0
HOH.....	19,125
QSS	25,500
Nonresident alien.....	0

Note: 2024 amounts not available at time of publication. Amounts shown are for 2023.

An individual not required to file a federal income tax return but who has gross income from all sources—both inside and outside of North Carolina—that equals or exceeds the amount for his filing

status shown in the chart above is required to file a North Carolina return. He must complete a federal return and attach it to his North Carolina income tax return to show how his adjusted gross income and deductions were determined.

A part-year resident must file if his total income for the tax year exceeds the amount for his filing status shown in the chart above and he:

- Received income while a resident of North Carolina or
- Received income while a nonresident that is:
 - Attributable to ownership of any interest in real or tangible personal property in North Carolina;
 - Derived from a business, trade, profession or occupation carried on within North Carolina or
 - Derived from gambling activities in North Carolina.

A nonresident must file if his total income from all sources—both inside and outside of North Carolina—exceeds the amount for his filing status as shown in the chart above and he received income for the tax year from North Carolina sources that was:

- Attributable to ownership of any interest in real or tangible personal property in North Carolina;
- Derived from a business, trade, profession, or occupation carried on in North Carolina or
- Derived from gambling activities in North Carolina.

North Carolina form to file:

- Resident, part-year, and nonresident: Form D-400 (Individual Income Tax Return).
- Part-year and nonresidents: D-400 Schedule PN (Part-Year Resident and Nonresident Schedule).

Return due date: April 15

Extension form. Form D-410 (Application for Extension for Filing Individual Income Tax Return).

Allowable extension. North Carolina allows an automatic six-month extension if granted a federal extension. Only file Form D-410 to make a payment or if Form 4868 was not filed.

NORTH DAKOTA

Website: <https://tax.nd.gov/>

Tax assistance: 701-328-7088; 877-328-7088



2024 Quick Tax Method—For Taxable Income of:									
Single	\$	0	–	47,150	×	0.00%	minus	\$	0.00 = Tax
		47,151	–	238,200	×	1.95%	minus	919.43	= Tax
		238,201	and over		×	2.50%	minus	2,229.53	= Tax
MFJ, QSS	\$	0	–	78,775	×	0.00%	minus	\$	0.00 = Tax
		78,776	–	289,975	×	1.95%	minus	1,536.11	= Tax
		289,976	and over		×	2.50%	minus	3,130.98	= Tax
MFS	\$	0	–	39,375	×	0.00%	minus	\$	0.00 = Tax
		39,376	–	144,975	×	1.95%	minus	767.81	= Tax
		144,976	and over		×	2.50%	minus	1,565.18	= Tax
HOH	\$	0	–	63,175	×	0.00%	minus	\$	0.00 = Tax
		63,176	–	264,100	×	1.95%	minus	1,231.91	= Tax
		264,101	and over		×	2.50%	minus	2,684.46	= Tax

Filing requirements. Residents must file if they are required to file a federal income tax return.

Nonresidents must file if they are required to file a federal return and received gross income from North Dakota sources. Part-year

residents must file if they are required to file a federal return and received income from any source while a resident or received North Dakota-source income while a nonresident.

North Dakota form to file:

- Resident, part-year, and nonresident: Form ND-1 (Individual Income Tax Return).
- Part-year and nonresident: Schedule ND-1NR (Tax Calculation for Nonresidents and Part-Year Residents)—attachment to Form ND-1.

Return due date: April 15

Extension form. Form 101 (Application for Extension of Time to File a North Dakota Tax Return).

Allowable extension: An extension of time to file a taxpayer's federal return is recognized for North Dakota purposes. If there is no federal extension, file Form 101 to request an extension of time to file (Form 101 is not an automatic extension). Use Form ND-1EXT (Individual Extension Payment Voucher) to make a payment.

Reciprocity agreements. Minnesota and Montana. Minnesota residents are not required to file a North Dakota return if only North Dakota source of income is compensation and the taxpayer maintains a home in Minnesota and returns to the home at least once each month. Montana residents are not required to file a North Dakota return if only North Dakota source of income is wages.

OHIO

Website: <https://tax.ohio.gov>

Tax assistance: 800-282-1780



2024 Quick Tax Method—For Taxable Income of:									
All	\$	0	–	26,050	×	0.000%	minus	\$	0.00 = Tax
		26,051	–	100,000	×	2.750%	minus	355.69	= Tax
		100,001	and over		×	3.500%	minus	1,105.69	= Tax

Filing requirements. Residents and part-year residents are required to file unless one of the following exceptions applies:

- Ohio AGI is less than or equal to \$0.
- The total of the taxpayer's senior citizen credit, lump-sum distribution credit and joint filing credit is equal to or exceeds his income tax liability and he is not liable for school district income tax.
- The taxpayer's exemption amount is the same as or more than his Ohio AGI.

Nonresidents are required to file if they have Ohio-sourced income.

Ohio form to file:

- Resident, part-year, and nonresident: Form IT 1040 (Individual Income Tax Return).
- Part-year and nonresidents: Schedule D (Nonresident/Part-Year Resident Credit) (Form IT 1040, page 4).

Return due date: April 15

Extension form. Ohio does not have a separate extension form.

Allowable extension. Ohio allows an extension based on the federal extension. Use Form IT 40P (Income Tax Payment Voucher) to make any payments by the original return due date.

Reciprocity agreements. Residents of a border state (Indiana, Kentucky, West Virginia, Michigan, and Pennsylvania) are not required to file Ohio return if only Ohio income is wages and salaries from an unrelated employer.

OKLAHOMA

Website: <https://oklahoma.gov/tax>

Tax assistance: 405-521-3160; 800-522-8165

2024 Quick Tax Method—For Taxable Income of:

Single, MFS	\$ 0.00 – 1,000.00 × 0.25% minus \$ 0.00 = Tax
	1,001.00 – 2,500.00 × 0.75% minus 5.00 = Tax
	2,501.00 – 3,750.00 × 1.75% minus 30.00 = Tax
	3,751.00 – 4,900.00 × 2.75% minus 67.50 = Tax
	4,901.00 – 7,200.00 × 3.75% minus 116.50 = Tax
	7,201.00 and over × 4.75% minus 188.50 = Tax
MFJ, QSS, HOH	\$ 0.00 – 2,000.00 × 0.25% minus \$ 0.00 = Tax
	2,001.00 – 5,000.00 × 0.75% minus 10.00 = Tax
	5,001.00 – 7,500.00 × 1.75% minus 60.00 = Tax
	7,501.00 – 9,800.00 × 2.75% minus 135.00 = Tax
	9,801.00 – 14,400.00 × 3.75% minus 233.00 = Tax
	14,401.00 and over × 4.75% minus 377.00 = Tax

Filing requirements. Residents must file a return if:

Filing status:	Gross income exceeds:
Single.....	\$ 7,350
MFJ.....	14,700
MFS.....	7,350
HOH.....	10,350
QSS with a Dependent Child.....	13,700

Dependents must file if:

Marital status:	Gross income exceeds:
Single dependents.....	\$ 6,350
Married dependents.....	6,350

Part-year residents are required to file if they meet resident filing requirements while a resident *or* receive \$1,000 or more Oklahoma-source gross income while a nonresident.

Nonresidents are required to file if they received \$1,000 or more Oklahoma-source gross income.

Oklahoma form to file:

- Resident: Form 511 (Oklahoma Resident Income Tax Return).
- Part-year and nonresident: Form 511-NR (Oklahoma Nonresident/Part-Year Income Tax Return).

Return due date: April 15 or April 20 if return is filed electronically.

Extension form. Form 504-I (Application for Extension of Time to File an Oklahoma Income Tax Return For Individuals).

Allowable extension. Oklahoma allows a six-month extension if the taxpayer attaches a copy of a valid federal extension. If the federal return is not extended or the taxpayer owes Oklahoma tax, Form 504-I must be filed. Use Form 504-I to remit any tax due.

OREGON

Website: <https://oregon.gov/dor>

Tax assistance: 503-378-4988; 800-356-4222

2024 Quick Tax Method—For Taxable Income of:

Single, MFS, RDP filing separate	\$ 0 – 4,300 × 4.75% minus \$ 0.00 = Tax
	4,301 – 10,750 × 6.75% minus 86.00 = Tax
	10,751 – 125,000 × 8.75% minus 301.00 = Tax
	125,001 and over × 9.90% minus 1,738.50 = Tax
MFJ, HOH, QSS, RDP filing joint	\$ 0 – 8,600 × 4.75% minus \$ 0.00 = Tax
	8,601 – 21,500 × 6.75% minus 172.00 = Tax
	21,501 – 250,000 × 8.75% minus 602.00 = Tax
	250,001 and over × 9.90% minus 3,477.00 = Tax

Filing requirements. Residents must file if they are required to file a federal income tax return *or* have \$1 or more of Oregon income tax withheld from wages. Also, residents are required to file if:

Filing Status:	Gross Oregon Income Exceeds:
Single.....	\$ 7,710
HOH.....	9,665
MFJ, RDP filing joint.....	15,425
MFS, RDP filing separate ¹	7,710
QSS.....	10,740
Dependent ²	1,300

¹ If spouse/RDP itemizes deductions, this amount is \$0.

² The greater of \$1,300 or earned income plus \$450, but no more than standard deduction amount.

Note: 2024 amounts not available at time of publication. Amounts shown are for 2023.

Oregon form to file:

- Resident: Form OR-40 (Oregon Individual Income Tax Return for Full-year Residents).
- Part-year resident: Form OR-40-P (Oregon Individual Income Tax Return for Part-Year Residents).
- Nonresident: Form OR-40-N (Oregon Individual Income Tax Return for Nonresidents).

Return due date: April 15

Extension form. Form OR-40-V (Oregon Individual Income Tax Payment Voucher).

Allowable extension. Oregon allows the same extension allowed on the federal return. File Form OR-40-V and check the extension payment checkbox to make a tax payment or if no federal extension is filed.

PENNSYLVANIA

Website: <https://revenue.pa.gov>

Tax assistance: 717-787-8201, 888-728-2937

2024 Tax Rate

Income tax rate.....	3.07%
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Filing requirements. Residents, part-year, and nonresidents are required to file if they receive total Pennsylvania gross taxable income in excess of \$33, or if they incurred a loss from any transaction as an individual, sole proprietor, partner or Pennsylvania S corporation shareholder.

Pennsylvania form to file. Resident, part-year, and nonresident: Form PA-40 (Pennsylvania Income Tax Return).

Return due date: April 15

Allowable extension. Pennsylvania allows an extension for up to six months if the taxpayer:

- Does not owe any Pennsylvania tax and has a valid federal extension.
- Files Form REV-276 and pays any Pennsylvania tax due.
- Pays Pennsylvania tax due by **EFT or credit/debit card through myPATH at <https://mypath.pa.gov/>** or 800-272-9829. Do not file Form REV-276.
- Pays Pennsylvania tax due via electronic funds transfer from taxpayer's bank account at the department's website at **www.revenue.pa.gov**. Do not file Form REV-276.

Reciprocity agreements. Indiana, Maryland, New Jersey, Ohio, Virginia, and West Virginia. Pennsylvania does not tax residents of these states on employee compensation that is subject to employer federal withholding.

RHODE ISLAND

Website: <https://tax.ri.gov/>

Tax assistance: 401-574-8829, option #3



2024 Quick Tax Method—For Taxable Income of:					
All Filers	\$	0	–	77,450	× 3.75% minus \$ 0.00 = Tax
		77,451	–	176,050	× 4.75% minus 774.50 = Tax
		176,051	and over	× 5.99%	minus 2,957.52 = Tax

Filing requirements. Residents must file if they are required to file a federal return or not required to file a federal return, but receive Rhode Island income in excess of the sum of their personal exemptions and applicable standard deduction.

Part-year residents must file if they are required to file a federal return, or have Rhode Island modifications increasing federal AGI.

Nonresidents must file if they received income from Rhode Island sources and are required to file a federal return or have Rhode Island modifications increasing federal AGI.

Rhode Island form to file:

- Resident: Form RI-1040 (Resident Individual Income Tax Return).
- Part-year and nonresident: Form RI-1040NR (Nonresident Individual Income Tax Return).

Return due date: April 15

Extension forms. Form RI-4868 (Rhode Island Application for Automatic Extension of Time to File a Rhode Island Individual Income Tax Return).

Allowable extension. Automatic six-month extension if:

- Federal Form 4868 filed and no payment due: Attach a copy of federal Form 4868.
- Payment due or federal Form 4868 not filed: File Form RI-4868 for six-month extension.

SOUTH CAROLINA

Website: <https://dor.sc.gov>

Tax assistance: 844-898-8542, option #1



2024 Quick Tax Method—For Taxable Income of:					
All Filing Statuses	\$	0	–	3,460	× 0.00% minus \$ 0 = Tax
		3,461	–	17,330	× 3.00% minus 104 = Tax
		17,331	and over	× 6.20%	minus 678 = Tax

Note: Amounts are based on 2024 estimated tax instructions. Final amounts for 2024 are not available at time of publication.

Filing requirements. Residents must file if they are required to file a federal income tax return that included income that is taxable by South Carolina or have South Carolina income tax withheld from wages.

Exception: Residents age 65 or older are not required to file if:

- 1) Their gross income is less than or equal to the federal filing requirement plus \$15,000 (\$30,000 if MFJ and both spouses age 65 or older) and
- 2) They do not have South Carolina income tax withheld from wages.

Part-year and nonresidents are required to file if they had income taxed by South Carolina or had South Carolina income tax withheld from their wages.

South Carolina form to file:

- Residents and part-year residents who elect to file as residents: Form SC1040 (Individual Income Tax Return).
- Part-year and nonresidents: Schedule NR (Nonresident Schedule)—attachment to Form SC1040.

Return due date: April 15

Extension form. Form SC4868 (Request for Extension of Time to File South Carolina Individual Income Tax Return).

Allowable extension. Six-month extension allowed:

- No payment due and federal Form 4868 filed.
- Payment due or federal Form 4868 not filed: File Form SC4868 for six-month extension. At least 90% of current year tax must be paid.

SOUTH DAKOTA

Website: <https://dor.sd.gov>

Tax assistance: 800-829-9188, 605-773-3311



Filing requirements. South Dakota has no personal income tax.

TENNESSEE

Website: www.tn.gov/revenue

Tax assistance: 615-253-0600, 800-342-1003



Filing requirements. Tennessee does not have a personal income tax.

TEXAS

Website: <https://comptroller.texas.gov>

Tax assistance: 800-252-1381



Filing requirements. Texas does not have a personal income tax.

UTAH

Website: <https://tax.utah.gov>

Tax assistance: 801-297-2200, 800-662-4335



2024 Tax Rate	
Income tax rate.....	4.55%

Filing requirements. Residents and part-year residents must file if they are required to file a federal income tax return.

Nonresidents must file if they are required to file a federal income tax return and received Utah-source income.

Utah form to file:

- Resident, part-year, and nonresident: Form TC-40 (Utah Individual Income Tax Return).
- Part-year and nonresident: Form TC-40B (Non or Part-year Resident Schedule)—attachment to Form TC-40.

Return due date: April 15

Allowable extension. Utah allows an automatic six-month extension of time to file. Utah does not have an extension form. Use Form TC-546 (Individual Income Tax Prepayment Coupon) to make a payment.

VERMONT

Website: <https://tax.vermont.gov>

Tax assistance: 802-828-2865



2024 Quick Tax Method—For Taxable Income of:	
Single	\$ 0 – 47,900 × 3.35% minus \$ 0.00 = Tax
	47,901 – 116,000 × 6.60% minus 1,556.75 = Tax
	116,001 – 242,000 × 7.60% minus 2,716.75 = Tax
	242,001 and over × 8.75% minus 5,499.75 = Tax
MFJ, QW, CU Filing Jointly	\$ 0 – 79,950 × 3.35% minus \$ 0.00 = Tax
	79,951 – 193,350 × 6.60% minus 2,598.38 = Tax
	193,351 – 294,650 × 7.60% minus 4,531.88 = Tax
	294,651 and over × 8.75% minus 7,920.35 = Tax
MFS, CU Filing Separately	\$ 0 – 39,975 × 3.35% minus \$ 0.00 = Tax
	39,976 – 96,675 × 6.60% minus 1,299.19 = Tax
	96,676 – 147,325 × 7.60% minus 2,265.94 = Tax
	147,326 and over × 8.75% minus 3,960.18 = Tax
HOH	\$ 0 – 64,150 × 3.35% minus \$ 0.00 = Tax
	64,151 – 165,700 × 6.60% minus 2,084.88 = Tax
	165,701 – 268,350 × 7.60% minus 3,741.88 = Tax
	268,351 and over × 8.75% minus 6,827.90 = Tax

Filing requirements. Residents, part-year residents, and nonresidents must file if they are required to file a federal return and earn or receive:

- 1) \$100 or more of Vermont income or
- 2) \$1,000 or more of Vermont gross income as a nonresident.

Vermont form to file:

- Resident, part-year, and nonresident: Form IN-111 (Vermont Income Tax Return).
- Part-year and nonresident: Schedule IN-113 (Income Adjustment Calculations)—attachment to Form IN-111.

Return due date: April 15

Extension form. Form IN-151 (Application for Extension of Time to File Form IN-111 Vermont Individual Income Tax Return).

Allowable extension. Vermont allows an automatic six-month extension if Form IN-151 is filed by the due date of the return or taxpayer uses myVTax to file the extension.

VIRGINIA

Website: <https://tax.virginia.gov>

Tax assistance: 804-367-8031



2024 Quick Tax Method—For Taxable Income of:	
All Filing Statuses	\$ 0 – 3,000 × 2.00% minus \$ 0.00 = Tax
	3,001 – 5,000 × 3.00 minus 30.00 = Tax
	5,001 – 17,000 × 5.00 minus 130.00 = Tax
	17,001 and over × 5.75 minus 257.50 = Tax

Filing requirements. Residents and part-year residents are required to file if:

Filing status:	Virginia AGI is at least:
Single or MFS.....	\$ 11,950
MFJ	23,900

Nonresidents are required to file if they receive any income from Virginia sources other than interest from personal savings accounts, interest or dividends from an individual stock market investment, or pension payments from a Virginia payor.

Virginia form to file:

- Resident: Form 760 (Virginia Resident Individual Income Tax Return).
- Part-year resident: Form 760PY (Virginia Part-Year Resident Income Tax Return).
- Nonresident: Form 763 (Virginia Nonresident Income Tax Return).

Return due date: May 1

Allowable extension. Virginia allows an automatic six-month extension of time to file. Ninety percent of the tax liability must be paid by the original due date for filing the return to avoid penalty. No application for extension is required. To make a payment of tentative tax by the original due date, use voucher Form 760IP.

Reciprocity agreements. The District of Columbia, Kentucky, Maryland, Pennsylvania, and West Virginia residents may be exempt from filing if their only source of Virginia income is wages subject to income tax by the resident state (or district). For residents of the District of Columbia and Kentucky, the exemption applies if the individual had no actual place of abode in Virginia during the year. The exemption applies to Maryland, Pennsylvania, and West Virginia residents if they are present in Virginia for 183 days or less during the year.

WASHINGTON

Website: <https://dor.wa.gov>

Tax assistance: 360-705-6705



Filing requirements. Washington does not have a personal income tax, but effective January 1, 2022, it imposes a 7% excise tax on individuals with sales or exchanges of long-term capital assets. Only taxpayers owing capital gains tax are required to file a capital gains tax return. Taxpayers must have capital gains in excess of \$270,000, indexed for inflation. See the *All States Quickfinder® Handbook* for more information.

WEST VIRGINIA

Website: <https://tax.wv.gov>

Tax assistance: 800-982-8297,
304-558-3333



2024 Quick Tax Method—For Taxable Income of:

MFJ, Single, HOH, QSS	\$	0	–	9,999	×	2.36%	minus	\$	0.00	=	Tax
		10,000	–	24,999	×	3.15	minus		78.99	=	Tax
		25,000	–	39,999	×	3.54	minus		176.49	=	Tax
		40,000	–	59,999	×	4.72	minus		648.48	=	Tax
		60,000	and over	×	5.12	minus			888.47	=	Tax
MFS	\$	0	–	4,999	×	2.36%	minus	\$	0.00	=	Tax
		5,000	–	12,499	×	3.15	minus		39.49	=	Tax
		12,500	–	19,999	×	3.54	minus		88.24	=	Tax
		20,000	–	29,999	×	4.72	minus		324.23	=	Tax
		30,000	and over	×	5.12	minus			444.22	=	Tax

Filing requirements. Residents and part-year residents are required to file if their West Virginia AGI is greater than the exemption allowance (\$2,000 per exemption or \$500 if zero exemptions were claimed) or to claim a senior citizen's tax credit.

Exception: Taxpayers age 65 or older if income is less than exemption allowance plus senior citizen modification of up to \$8,000 do not have to file.

Nonresidents are required to file if their federal AGI includes any West Virginia-source income.

West Virginia form to file:

- Resident, part-year, and nonresident: Form IT-140 (West Virginia Personal Income Tax Return).
- Part-year and nonresident: Schedule A (Nonresidents/Part-Year Residents Schedule of Income)—attachment to Form IT-140.

Return due date: April 15

Extension form. Schedule L (Application for Extension of Time to File).

Allowable extension. West Virginia allows up to a six-month extension if tax liability is paid and the taxpayer either:

- Attaches a copy of federal Form 4868 or
- Files **Form WV 4868** if tax owed or federal Form 4868 not filed.

Reciprocity agreements. Kentucky, Maryland, Ohio, Pennsylvania, and Virginia residents may file Form IT-140NRS (Special Nonresident Income Tax Return) to claim a refund if the only West Virginia income is from wages and salaries.

Note: Pennsylvania and Virginia residents qualify only if they did not spend more than 183 days within West Virginia in 2024.

WISCONSIN

Website: <https://www.revenue.wi.gov/>

Tax assistance: 608-266-2486



2024 Quick Tax Method—For Taxable Income of:

Single, HOH	\$	0	–	14,320	×	3.50%	minus	\$	0.00	=	Tax
		14,321	–	28,640	×	4.40%	minus		128.88	=	Tax
		28,641	–	315,310	×	5.30%	minus		386.64	=	Tax
		315,311	and over	×	7.65%	minus			7,796.43	=	Tax
MFJ	\$	0	–	19,090	×	3.50%	minus	\$	0.00	=	Tax
		19,091	–	38,190	×	4.40%	minus		171.81	=	Tax
		38,191	–	420,420	×	5.30%	minus		515.52	=	Tax
		420,421	and over	×	7.65%	minus			10,395.39	=	Tax
MFS	\$	0	–	9,550	×	3.50%	minus	\$	0.00	=	Tax
		9,551	–	19,090	×	4.40%	minus		85.95	=	Tax
		19,091	–	210,210	×	5.30%	minus		257.76	=	Tax
		210,211	and over	×	7.65%	minus			5,197.70	=	Tax

Filing requirements. Residents must file if:

Filing status:	Age:	Gross income is at least:
Single	Under 65.....	\$ 13,930
	65 or older.....	14,180
MFJ	Under 65 (both spouses).....	\$ 25,890
	65 or older (one spouse).....	26,140
	65 or older (both spouses).....	26,930
MFS	Under 65.....	\$ 12,330
	65 or older.....	12,580
HOH	Under 65.....	\$ 17,790
	65 or older.....	18,040

Note: 2024 amounts not available at time of publication. Amounts shown are for 2023.

Residents must also file if they owe a Wisconsin penalty on an IRA, retirement plan, ABLE account, medical or health savings account or Coverdell education savings account (excess contribution).

Part-year and nonresidents must file if gross income is at least \$2,000.

Wisconsin form to file:

- Resident: Form 1, Wisconsin Income Tax.
- Part-year and nonresident: Form 1NPR (Nonresident and Part-Year Resident Wisconsin Income Tax).

Return due date: April 15

Allowable extension. Wisconsin allows an extension based on the federal extension. Use Form 1-ES to make any payments. If federal Form 4868 not filed, attach a statement to the Wisconsin tax return indicating which federal extension provision (for example, federal automatic six-month provision) the taxpayer is applying for.

Reciprocity agreements. Illinois, Indiana, Kentucky, and Michigan residents are not required to file a Wisconsin return if the only Wisconsin income is from personal services.

WYOMING

Website: <http://revenue.wyo.gov>

Tax assistance: 307-777-5200



Filing requirements. Wyoming does not have a personal income tax.

Quick Facts, Worksheets, Where to File

All worksheets included in Tab 3 may be copied and used in your tax practice.



Tab 3 Topics

Quick Facts Data Sheet.....	Page 3-1	Donations Substantiation Guide	Page 3-8
Business Use of Home Worksheet	Page 3-4	Earned Income Credit (EIC) Worksheet (2024)	Page 3-9
Capital Loss Carryover Worksheet (2024).....	Page 3-5	Net Operating Loss Worksheets	Page 3-9
Form 8949 (Sales and Other Dispositions of Capital Assets)—Gain/Loss Adjustment Codes	Page 3-5	Social Security Benefits Worksheet (2024).....	Page 3-13
Carryover Schedule for Charitable Contributions	Page 3-6	Qualified Business Income Deduction Worksheet (2024) ¹	Page 3-14
Donations—Noncash	Page 3-7	2024 State and Local Sales Tax Deduction	Page 3-15
Donated Goods Valuation Guide	Page 3-7	Where to File 2024 Form 1040	Page 3-16
		Where to File Form 1040-ES for 2025	Page 3-16
		Where to File Form 4868 for 2024 Return	Page 3-16

Quick Facts Data Sheet					
	2025	2024	2023	2022	2021
General Deductions and Credits					
Standard deduction:					
MFJ or QSS	\$ 30,00	\$ 29,200	\$ 27,700	\$ 25,900	\$ 25,100
Single	15,000	14,600	13,850	12,950	12,550
HOH	22,500	21,900	20,800	19,400	18,800
MFS	15,000	14,600	13,850	12,950	12,550
Additional for age 65 or older or blind each (MFJ, QSS, MFS)	1,600	1,550	1,500	1,400	1,350
Additional for age 65 or older or blind each (Single, HOH)	2,000	1,950	1,850	1,750	1,700
Earned income credit:					
Earned income and AGI must be less than (MFJ):¹					
No qualifying children	\$ 26,214	\$ 25,511	\$ 24,210	\$ 22,610	\$ 27,380
One qualifying child	57,554	56,004	53,120	49,622	48,108
Two qualifying children	64,430	62,688	59,478	55,529	53,865
Three or more qualifying children	68,675	66,819	63,398	59,187	57,414
Maximum amount of credit (all filers except MFS):					
No qualifying children	\$ 649	\$ 632	\$ 600	\$ 560	\$ 1,502
One qualifying child	4,328	4,213	3,995	3,733	3,618
Two qualifying children	7,152	6,960	6,604	6,164	5,980
Three or more qualifying children	8,046	7,830	7,430	6,935	6,728
Investment income limit	11,950	11,600	11,000	10,300	10,000
Child tax credit/credit for other dependents:					
Credit per child	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000 ²
Refundable portion limit	1,700	1,700	1,600	1,500	2,000 ²
Refundable child tax credit—earned income floor	2,500	2,500	2,500	2,500	0 ²
Credit per other dependent	500	500	500	500	500
Adoption credit/exclusion:					
Maximum credit/exclusion (and amount allowed for adoption of special needs child)	\$ 17,280	\$ 16,810	\$ 15,950	\$ 14,890	\$ 14,440
Credit/exclusion phase-out begins at AGI of:					
All taxpayers except MFS	\$ 259,190	\$ 252,150	\$ 239,230	\$ 223,410	\$ 216,660
MFS	Not Allowed	Not Allowed	Not Allowed	Not Allowed	Not Allowed
Kiddie tax unearned income threshold	\$ 2,700	\$ 2,600	\$ 2,500	\$ 2,300	\$ 2,200
Foreign earned income exclusion	\$ 130,000	\$ 126,500	\$ 120,000	\$ 112,000	\$ 108,700
FICA/SE Taxes					
Maximum earnings subject to tax:					
Social security tax	\$ 176,100	\$ 168,600	\$ 160,200	\$ 147,000	\$ 142,800
Medicare tax	No Limit	No Limit	No Limit	No Limit	No Limit
Maximum tax paid by:					
Employee—social security	\$ 10,918.20	\$ 10,453.20	\$ 9,932.40	\$ 9,114.00	\$ 8,853.60
Self-employed—social security	21,836.40	20,906.40	19,864.80	18,228.00	17,707.20
Employee or self-employed—Medicare	No Limit	No Limit	No Limit	No Limit	No Limit
Additional Medicare tax begins at earnings of:					
MFJ	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Single, HOH, or QSS	200,000	200,000	200,000	200,000	200,000
MFS	125,000	125,000	125,000	125,000	125,000

Table continued on the next page

Quick Facts Data Sheet (Continued)

	2025	2024	2023	2022	2021
Business Deductions					
Section 179 deduction:					
Overall limit	\$ 1,250,000	\$ 1,220,000	\$ 1,160,000	\$ 1,080,000	\$ 1,050,000
SUV limit (per vehicle)	31,300	30,500	28,900	27,000	26,200
Qualifying property phase-out threshold	3,130,000	3,050,000	2,890,000	2,700,000	2,620,000
Depreciation limit—autos, trucks, and vans (1st year)	3, 9	12,400 ³	12,200 ³	11,200 ³	10,200 ³
Standard mileage allowances:					
Business	70¢	67¢	65.5¢	58.5¢/62.5¢ ⁸	56¢
Charity work	14¢	14¢	14¢	14¢	14¢
Medical/moving	21¢	21¢	22¢	18¢/22¢ ⁸	16¢
Qualified business income (QBI) deduction taxable income thresholds:					
MFJ	\$ 394,600	\$ 383,900	\$ 364,200	\$ 340,100	\$ 329,800
Single, HOH, QSS, or MFS	197,300	191,950	182,100	170,050	164,900 ⁴
Excess business loss disallowance limits:					
MFJ	\$ 626,000	\$ 610,000	\$ 578,000	\$ 540,000	\$ 524,000
Single, HOH, QSS, or MFS	313,000	305,000	289,000	270,000	262,000
Health Care Deductions/Exclusions/Credits					
Health savings accounts (HSAs):					
Self-only coverage:					
Contribution limit	\$ 4,300	\$ 4,150	\$ 3,850	\$ 3,650	\$ 3,600
Plan minimum deductible	1,650	1,600	1,500	1,400	1,400
Plan out-of-pocket limit	8,300	8,050	7,500	7,050	7,000
Family coverage:					
Contribution limit	8,550	8,300	7,750	7,300	7,200
Plan minimum deductible	3,300	3,200	3,000	2,800	2,800
Plan out-of-pocket limit	16,600	16,100	15,000	14,100	14,000
Additional contribution limit—age 55 or older	1,000	1,000	1,000	1,000	1,000
Long-term care insurance—deduction limits:					
Age 40 and under	\$ 480	\$ 470	\$ 480	\$ 450	\$ 450
Age 41 – 50	900	880	890	850	850
Age 51 – 60	1,800	1,760	1,790	1,690	1,690
Age 61 – 70	4,810	4,710	4,770	4,510	4,520
Age 71 and older	6,020	5,880	5,960	5,640	5,640
Long-term care—excludible per diem	\$ 420	\$ 410	\$ 420	\$ 390	\$ 400
Medical savings accounts (MSAs):					
Self-only coverage:					
Plan minimum deductible	\$ 2,850	\$ 2,800	\$ 2,650	\$ 2,450	\$ 2,400
Plan maximum deductible	4,300	4,150	3,950	3,700	3,600
Plan out-of-pocket limit	5,700	5,550	5,300	4,950	4,800
Family coverage:					
Plan minimum deductible	5,700	5,550	5,300	4,950	4,800
Plan maximum deductible	8,550	8,350	7,900	7,400	7,150
Plan out-of-pocket limit	10,500	10,200	9,650	9,050	8,750
Health flexible spending arrangement—contribution limit	\$ 3,300	\$ 3,200	\$ 3,050	\$ 2,850	\$ 2,750
Advance payment of health insurance premium tax credit—repayment limit:⁵					
Household income < 200% of federal poverty line (FPL)	\$ 750	\$ 750	\$ 700	\$ 650	\$ 650
Household income ≥ 200% of FPL, but < 300%	1,950	1,900	1,800	1,650	1,600
Household income ≥ 300% of FPL, but < 400%	3,250	3,150	3,000	2,800	2,700
Qualified small employer HRA reimbursement limits:					
Employee only	\$ 6,350	\$ 6,150	\$ 5,850	\$ 5,450	\$ 5,300
Employee and family	12,800	12,450	11,800	11,050	10,700
Small employer health insurance credit—average wage limit	\$ 33,300	\$ 32,400	\$ 30,700	\$ 28,700	\$ 27,800
Education Tax Incentives					
Education savings accounts (ESAs) phase-out begins at AGI of:					
MFJ	\$ 190,000	\$ 190,000	\$ 190,000	\$ 190,000	\$ 190,000
Single, HOH, QSS, or MFS	95,000	95,000	95,000	95,000	95,000
American opportunity credit—maximum credit (per student)	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
Lifetime learning credit (LLC)—maximum credit (per return)	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Education credit phase-out begins at AGI of:					
MFJ:					
American opportunity	\$ 160,000	\$ 160,000	\$ 160,000	\$ 160,000	\$ 160,000
LLC	160,000	160,000	160,000	160,000	160,000
Single, HOH, or QSS:					
American opportunity	80,000	80,000	80,000	80,000	80,000
LLC	80,000	80,000	80,000	80,000	80,000
MFS	Not Allowed	Not Allowed	Not Allowed	Not Allowed	Not Allowed
Student loan interest deduction limit	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
Student loan interest deduction phase-out begins at AGI of:					
MFJ	\$ 170,000	\$ 165,000	\$ 155,000	\$ 145,000	\$ 140,000
Single, HOH, or QSS	85,000	80,000	75,000	70,000	70,000
MFS	Not Allowed	Not Allowed	Not Allowed	Not Allowed	Not Allowed

Qualified Business Income Deduction Worksheet (2024)¹ (Continued)

Reduction for qualified payments received from cooperatives

32) QBI allocable to payments received from cooperative (Line 7)	32) \$	_____
33) 9% of QBI from this trade or business allocable to payments received from cooperative (Line 32 × 9%)	33)	_____
34) W-2 wages allocable to payments received from cooperative (Line 21 × Line 7 ÷ Line 1)	34)	_____
35) 50% of wages allocable to payments received from cooperative (Line 34 × 50%)	35)	_____
36) Lesser of 9% of QBI or 50% of wages allocable to cooperative payments (lesser of Line 33 or 35)	36)	_____
37) QBI deductible amount reduced for cooperative allocation, if any (Line 31 – Line 36)	37)	_____
38) If applicable, QBI deductions from other trades or businesses (total of Lines 37 from all other worksheets)	38) \$	_____
39) QBI deduction from all trades or businesses (Line 37 + Line 38)	39) \$	_____

Qualified REIT and PTP income

40) Total REIT and PTP income	40) \$	_____
41) QBI deduction at 20% (Line 40 × 20%)	41)	_____
42) Combined QBI amount before taxable income limit (Line 39 + Line 41)	42) \$	_____

Taxable income limitations

43) Taxable income before QBI deduction (Line 4)	43) \$	_____
44) Net capital gain	44)	_____
45) Excess of taxable income over net capital gain (Line 43 – Line 44)	45)	_____
46) Taxable income limit (Line 45 × 20%)	46) \$	_____
47) Total QBI deduction (lesser of Line 42 or Line 46)	47) \$	_____

QPAI deduction from cooperatives

48) QPAI deduction identified in writing by cooperative (Line 9)	48) \$	_____
49) Taxable income before QPAI deduction and after QBI deduction (Line 43 – Line 47)	49)	_____
50) Allowable QPAI deduction from cooperative (lesser of Line 48 or Line 49)	50) \$	_____
51) Total Section 199A deduction (Line 47 + Line 50)	51) \$	_____

¹ Compute separately for each trade or business and then combine the Line 37 amounts on Line 38. In the case of a partnership or S corporation, the provision applies at the partner or shareholder level. Each partner takes into account the partner's allocable share of each qualified item of income, gain, deduction, and loss, and is treated as having W-2 wages for the tax year equal to the partner's allocable share of W-2 wages of the partnership. The partner's allocable share of W-2 wages is required to be determined in the same manner as the partner's share of wage expenses. Losses from carryovers and businesses with negative QBI must be apportioned among businesses with positive QBI [see Reg. 1.199A-1(c) and (d)]. Form 8995-A, Schedule C (Loss Netting and Carryforward) may be used to compute loss netting.

² Specified service businesses are excluded from the definition of *qualified trade or business* when the taxpayer's taxable income exceeds the threshold amount plus phase-in range amount (thus, the exclusion is deemed to phase-in over the phase-in range).

2024 State and Local Sales Tax Deduction

For 2024, taxpayers can elect to deduct state and local sales taxes instead of state and local income taxes (see *Electing to Deduct Sales Tax* on Page 5-5). Instead of deducting their actual expenses, taxpayers can use optional sales tax tables [based on the taxpayer's state(s) of residence] provided by the IRS. The deduction worksheet and any optional tables issued by the IRS will be posted to the *Handbook Updates* section of tax.thomsonreuters.com/quickfinder.

Where to File 2024 Form 1040

Due Date: April 15, 2025

	Address to: <i>"Department of the Treasury Internal Revenue Service"</i>	Address to: <i>"Internal Revenue Service"</i>
Taxpayer lives in:	Without payment	With payment
AL, FL, GA, LA, MS, NC, SC, TN, TX	Austin, TX 73301-0002	P.O. Box 1214 Charlotte, NC 28201-1214
AK, CA, CO, HI, ID, KS, MI, MT, NE, NV, ND, OH, OR, SD, UT, WA, WY	Ogden, UT 84201-0002	P.O. Box 802501 Cincinnati, OH 45280-2501
AZ, NM	Austin, TX 73301-0002	P.O. Box 802501 Cincinnati, OH 45280-2501
CT, DC, DE, IL, IN, IA, KY, ME, MD, MA, MN, MO, NH, NJ, NY, RI, VT, VA, WV, WI	Kansas City, MO 64999-0002	P.O. Box 931000 Louisville, KY 40293-1000
PA	Kansas City, MO 64999-0002	P.O. Box 802501 Cincinnati, OH 45280-2501
AR, OK	Austin, TX 73301-0002	P.O. Box 931000 Louisville, KY 40293-1000
A foreign country, U.S. possession or territory; or uses an APO or FPO address; or files Form 2555 or 4563; or is a dual-status alien. If taxpayer lives in American Samoa, Puerto Rico, Guam, U.S. Virgin Islands, or the Northern Mariana Islands, see Pub 570.	Austin, TX 73301-0215 USA	P.O. Box 1303 Charlotte, NC 28201-1303 USA

Where to File Form 1040-ES for 2025

Due Dates: See *Estimated Tax Payments—Due Dates* on Page 16-7.

Due Date: See Estimated Tax Payments Due Dates on Page 1.

Address to: <i>“Internal Revenue Service”</i>		
Taxpayer lives in:	Send to:	
AL, AZ, FL, GA, LA, MS, NM, NC, SC, TN, TX	P.O. Box 1300	Charlotte, NC 28201-1300
AR, CT, DE, DC, IL, IN, IA, KY, ME, MD, MA, MN, MO, NH, NJ, NY, OK, RI, VT, VA, WV, WI	P.O. Box 931100	Louisville, KY 40293-1100
AK, CA, CO, HI, ID, KS, MI, MT, NE, NV, ND, OH, OR, PA, SD, UT, WA, WY	P.O. Box 802502	Cincinnati, OH 45280-2502
A foreign country, American Samoa, or Puerto Rico (or is excluding income under IRC Sec. 933); or uses an APO or FPO address; or files Form 2555 or 4563; or is a dual-status alien or nonpermanent resident of Guam or the U.S. Virgin Islands	P.O. Box 1303	Charlotte, NC 28201-1303, USA
Address to: <i>“Department of Revenue and Taxation, Government of Guam”</i>		
Guam: Bona fide residents*	P.O. Box 23607	GMF, GU 96921
Address to: <i>“Virgin Islands Bureau of Internal Revenue”</i>		
U.S. Virgin Islands: Bona fide residents*	6115 Estate Smith Bay, Suite 22 St. Thomas, VI 00802	
*Bona fide residents must prepare separate vouchers for estimated income tax and self-employment tax payments. Send the income tax vouchers to the address for bona fide residents and the self-employment tax vouchers to the address for non-bona fide residents.		

Where to File Form 4868 for 2024 Return

Due Date: April 15, 2025

	Address to: <i>"Department of the Treasury, Internal Revenue Service Center"</i>	Address to: <i>"Internal Revenue Service"</i>
Taxpayer lives in:	Without payment	With payment
AL, FL, GA, LA, MS, NC, SC, TN, TX	Austin, TX 73301-0045	P.O. Box 1302 Charlotte, NC 28201-1302
AK, CA, CO, HI, ID, KS, MI, MT, NE, NV, ND, OH, OR, SD, UT, WA, WY	Ogden, UT 84201-0045	P.O. Box 802503 Cincinnati, OH 45280-2503
AZ, NM	Austin, TX 73301-0045	P.O. Box 802503 Cincinnati, OH 45280-2503
CT, DE, DC, IL, IN, IA, KY, ME, MD, MA, MN, MO, NH, NJ, NY, RI, VT, VA, WV, WI	Kansas City, MO 64999-0045	P.O. Box 931300 Louisville, KY 40293-1300
PA	Kansas City, MO 64999-0045	P.O. Box 802503 Cincinnati, OH 45280-2503
AR, OK	Austin, TX 73301-0045	P.O. Box 931300 Louisville, KY 40293-1300
A foreign country, American Samoa, or Puerto Rico; or is excluding income under IRC Sec. 933; or using an APO or FPO address; or filing Form 2555 or 4563; or is a dual-status alien; or is a nonpermanent resident of Guam or the U.S. Virgin Islands.	Austin, TX 73301-0215 USA	P.O. Box 1303 Charlotte, NC 28201-1303 USA
All foreign estate and trust Form 1040-NR filers	Kansas City, MO 64999-0045 USA	P.O. Box 1303 Charlotte, NC 28201-1303 USA
All other Form 1040-NR, 1040-PR, and 1040-SS filers	Austin, TX 73301-0215 USA	P.O. Box 1303 Charlotte, NC 28201-1303 USA

— End of Tab 3 —

spouse, or payments can be divided equally or unequally between the returns. If spouses do not agree, payments are divided in proportion to each spouse's individual tax for 2024 as reported on their separate returns. Enter the taxpayer's share of estimated tax on line 26 of Form 1040.

If the taxpayer divorced in 2024 and joint ES payments were made, enter the former spouse's SSN in the Form 1040 heading even though the taxpayer is filing Single or HOH. If the taxpayer is filing a joint return with a new spouse, enter the former spouse's SSN and "DIV" to the left of Form 1040, line 26.

Separate payments. If spouses made separate payments and file separate returns, each spouse can claim only his separate payments even if both spouses agree otherwise. If spouses file a joint return, payments by both spouses are entered on Form 1040, line 26, even if one spouse died in 2024 or in 2025 before filing a 2024 return.

Name change due to marriage or divorce. If payments were made under a former name, attach a statement to the front of Form 1040 listing all ES payments made by both spouses. Include the date and amount of each payment, the service center where the payment was made, and the SSN and name of payer under which the payment was made.

Earned Income Credit (EIC)

See *Earned Income Credit* on Page 12-7, IRS Pub. 596, the *2024 Earned Income Credit (EIC) Table* on Page 1-14 and the *Earned Income Credit (EIC) Worksheet (2024)* on Page 3-9.

Enter the EIC on line 27.



Additional Child Tax Credit

See *Additional Child Tax Credit* on Page 12-7.

Refundable American Opportunity Credit

See *American Opportunity Credit* on Page 12-10.

REFUND/AMOUNT OWED

Amount Overpaid

The amount overpaid is entered on line 34. If the taxpayer has past due federal tax, state income tax, state unemployment compensation debts, child support, spousal support, or certain federal nontax debts, such as student loans, all or part of the refund may be used to pay the debts. For information on injured spouse claims, see *Injured Spouse Claim* on Page 16-11 of the *1040 Quickfinder® Handbook*.

Amount to Be Refunded

Enter on line 35a the amount of the overpayment from line 34 the taxpayer wants refunded.

Note: For 2024 returns, the IRS cannot issue refunds before February 15, 2025 for returns that claim the EIC and/or the child tax credit [IRC Sec. 6402(m)]. This applies to the entire refund, not just the portion associated with these credits.

Direct deposit of refund. Taxpayers can have a refund directly deposited into the following types of accounts:

- Checking or savings.
- IRA (but not a SIMPLE IRA), HSA, MSA, ESA, or brokerage account (ask financial institution whether to check "Checking" or "Savings" for type of account on line 35c or Form 8888).

Caution: When a direct deposit is made to an IRA, the taxpayer must notify the IRA trustee of the tax year to which the IRA contribution applies. If not notified, the trustee can assume it's for the year in which the deposit occurs.

To deposit the entire refund to a single account, complete lines 35b–35d. The routing number must be nine digits with the first two digits being 01-12 or 21-32. The bank account number can be up to 17 characters—include numbers, letters, and hyphens but omit spaces and special symbols and leave unused boxes blank.

Caution: The routing and account numbers may be in different places on some checks. Also, some financial institution accounts, such as credit unions, are payable through another financial institution or do not allow the taxpayer to write checks. Contact the institution to verify the appropriate routing number.

Check the box on line 35a and complete and attach Form 8888 if the taxpayer wants to have the tax refund deposited into two or three different accounts at banks or other financial institutions, or wants to split a refund between a direct deposit and a paper check. The total shown on Form 8888 must match the total refund amount shown on the return; if not, the IRS will send a refund check for the full amount.

Note: Form 8888 cannot be filed to split a refund if Form 8379 (Injured Spouse Allocation) is filed.

Restrictions on accounts:

- The account must be in the taxpayer's name.
- If a taxpayer wants to deposit a joint refund into an individual account, he should verify that the financial institution will accept the deposit before completing lines 35b through 35d.

Check refund status. Click on "Get Your Refund Status" at www.irs.gov to check the status of a refund. Enter SSN, filing status, and refund amount. Taxpayers can also check the status using the IRS2Go app.

Overpayment Applied to 2025 Estimated Tax

Enter on line 36 the amount, if any, of the overpayment the taxpayer wants applied to his 2025 estimated tax.

Caution: A taxpayer who elects to apply all or part of an overpayment to his 2025 estimated tax cannot change his mind and have any of it refunded after the due date (without extensions) of the 2024 return.

If an amount is to be applied to a spouse's account, include a statement with the spouse's SSN.

Amount Owed

The amount of tax due is entered on line 37. A balance due of under \$1 does not need to be paid.

Check payment instructions:

- Make check or money order payable to "United States Treasury."
- Write SSN and "2024 Form 1040" on the check. Use the SSN shown on the first return for a joint return.
- If the check does not have preprinted information, include the taxpayer's name, address, and daytime telephone number.
- To facilitate check processing, the amount should be shown as \$XXX.XX (do not use dashes or lines such as \$XXX– or \$XXX XX/100).

Continued on the next page

SCHEDULE 1—PART I: ADDITIONAL INCOME

Form 1099-K Transactions

For 2024, the amount of reported income on Form(s) 1099-K that was included in error or for personal items sold at a loss should be reported on the line at the top of Schedule 1. The remaining amounts should be reported elsewhere on the return depending on the nature of the transaction.

Payment settlement entities must report debit and credit card sales to the IRS and merchants receiving payments. These payments are reported on Form 1099-K. A payment settlement entity is a bank or other organization that has the contractual obligation to make payment to participating payees in settlement of payment card transactions or third party network transactions. A participating payee is anyone who accepts a payment card (or account number associated with a card) as payment or accepts payments from a Third-Party Settlement Organization (TPSO) in settlement of a third-party network transaction.

A TPSO is only required to issue a Form 1099-K to a payee when the total dollar amount of all transactions during the calendar year exceeds a de minimis threshold [IRC Sec. 6050W(e)]. This de minimis exception only applies to third party network transactions (not payment card transactions which have no reporting threshold).

The American Rescue Plan Act (ARPA) significantly reduced the de minimis threshold for TPSOs. Until passage of ARPA, the threshold was 200 or more transactions per year and the dollar amount of those transactions exceeded \$20,000. ARPA reduced the dollar amount to \$600 per year with no minimum transaction requirement. This means a single transaction for \$600 or more settled through a TPSO is reportable.

Observation: The reduced 1099-K filing threshold was originally intended to take effect beginning in 2022 (for Forms 1099-K due in 2023). However, the IRS provided relief for TPSOs by declaring both 2022 and 2023 transition periods for implementation of the lowered minimum reporting requirements and allowed them to use the threshold in place prior to the changes brought about by ARPA (Notices 2023-10 and 2023-74).

Note: The IRS's transition period continues in 2024 and 2025 (Notice 2024-85). Rather than the \$600 threshold called for in IRC Sec. 6050W(e), the reporting threshold for 2024 Forms 1099-K (due in 2025) is \$5,000 with no minimum transaction requirement.

Observation: The reduction in the Form 1099-K reporting threshold has been controversial. Practitioners should monitor the situation to see what the IRS does for 2025.

Taxable Refunds, Credits, or Offsets of State and Local Income Taxes

See IRS Pub. 525.

State and local income tax refunds are taxable (reported on line 1 of Form 1040, Schedule 1) if the refunded tax was deducted in a prior year and the taxpayer received a tax benefit from the deduction. Refunds are not taxable if the taxpayer did not itemize deductions in the prior year or elected to deduct state and local general sales taxes instead of state and local income taxes.

Use the *State and Local Tax Refund Worksheet* on Page 4-21 to calculate the taxable portion of the refund. Report only the taxable part of the refund on line 1.

Note: If a taxpayer received a tax benefit from deducting state or local taxes in a prior tax year and the taxpayer recovers all or a portion of those taxes in the current tax year, the taxpayer must include in gross income the lesser of (1) the difference between the taxpayer's total itemized deductions taken in the prior year and

- Complete Form 1040-V. If a joint return, list taxpayers and SSNs in the order they are listed on the return. Form 1040-V helps the IRS process a payment more accurately and efficiently. Mail the Form 1040-V and payment to the address shown on the form that applies to the taxpayer.

- Keep all canceled checks for tax payments.

Credit or debit card payments. A taxpayer can pay using various credit cards or with certain debit cards. The taxpayer will be charged a convenience fee.

If the preparation software does not integrate e-filing and e-payment, the taxpayer can contact one of the service providers below to arrange payment:

- ACI Payments, Inc.
800-272-9829
[fed.acipayonline.com](https://www.fed.acipayonline.com)
- Link2Gov Corporation
888-729-1040
www.Pay1040.com
- payUSAtax
844-729-8298
www.payUSAtax.com

Pay online. The IRS offers the following online electronic payment options in addition to the credit and debit card processors listed above:

- *IRS Direct Pay* for online transfers directly from a checking or savings account at no cost (go to www.irs.gov/payments).
- *Electronic Funds Withdrawal (EFW)* is an integrated efile/e-pay option offered when filing federal taxes electronically using tax preparation software, through a tax professional or the IRS at www.irs.gov/payments.
- *Same-day Wire* (bank fees may apply).
- *Digital Wallets* (Paypal and Click to Pay).

EFTPS. Taxpayers can pay the balance due on their returns, make estimated tax payments, and pay business taxes by direct debit authorized over the internet. Taxpayers must be enrolled in the Electronic Federal Tax Payment System (EFTPS) program before a debit payment can be made. Enroll at www.eftps.gov. There's no cost to use this tax payment system.



Note: In addition to the EFTPS program, individual taxpayers can now make tax payments through their online account, which can be accessed at www.irs.gov/account.

Mobile device. To pay through a mobile device, the taxpayer must download the IRS2Go app.

Pay by cash. Cash is an in-person payment option for individuals provided through retail partners with a maximum of \$500 per-payment and a \$1.50–2.50 fee per payment. See www.irs.gov/payments/pay-with-cash-at-a-retail-partner for a list of participating stores, fees, and limits. To make a cash payment, the individual must first be registered online at fed.acipayonline.com or pay1040.com.

Unable to pay. See *Options for Taxpayers Unable to Pay Tax Due* on Page 16-4 of the *1040 Quickfinder® Handbook*.

Estimated Tax Penalty

See *Underpayment/Estimated Tax Penalty* on Page 16-7 of the *1040 Quickfinder® Handbook*.

Calculate the penalty on Form 2210 or 2210-F and enter on line 38. Include the penalty in the amount owed on line 37. If there is an overpayment of tax, the estimated tax penalty is subtracted from the overpayment shown on line 34. If line 38 is blank and a penalty is owed, the IRS will calculate the penalty and send a bill.

the amount of itemized deductions the taxpayer would have taken in the prior year had the taxpayer paid the proper amount of state and local tax or (2) the difference between the taxpayer's itemized deductions taken in the prior year and the standard deduction amount for the prior year, if the taxpayer was not precluded from taking the standard deduction in the prior year. This applies to the recovery of any state or local tax, including state or local income tax and state or local real or personal property tax (Rev. Rul. 2019-11).

Tax refund worksheet—special situations. If any of the special situations below apply, the worksheet cannot be used (see Pub. 525 instead).

- Refund was for a tax year other than 2023.
- 2024 refund of taxes, other than income taxes, that were deducted or credited in an earlier year.
- The taxpayer made the last payment of 2023 estimated state or local income tax in 2024.
- Refund is more than the 2023 state and local income tax deduction minus the amount the taxpayer could have deducted for 2023 state and local general sales taxes.
- The taxpayer owed AMT in 2023.
- 2023 tax was zero because of 0% tax rate on net capital gains and qualified dividends.
- Joint 2023 state or local tax return filed and the taxpayer is not filing a joint 2024 Form 1040 with the same person.
- The full amount of credits in 2023 could not be used because the total credits were more than the amount shown on 2023 Form 1040, line 16.
- Taxpayer was claimed as a dependent by someone else in 2023.

State and Local Tax Refund Worksheet	
See Form 1040 instructions if MFS in 2023.	
1) Enter the income tax refund from Form(s) 1099-G (or similar statement). Do not enter more than income tax deducted on line 5d of 2023 Schedule A.....	1) _____
2) Is the amount of state and local income taxes (or general sales taxes), real estate taxes, and personal property taxes paid in 2023 (generally, 2023 Schedule A, line 5d), more than the amount on 2023 Schedule A, line 5e? No, enter the amount on line 1 on line 3 and go to line 4. Yes, subtract the amount on 2023 Schedule A, line 5e, from the amount of state and local income taxes (or general sales taxes), real estate taxes, and personal property taxes paid in 2023 (generally, 2023 Schedule A, line 5d).....	2) _____
3) Is the amount on line 1 more than the amount on line 2? No, STOP HERE , none of your refund is taxable. Yes, subtract line 2 from line 1.....	3) _____
4) Enter total itemized deductions from line 17 of the 2023 Schedule A.....	4) _____
5) Enter the amount shown below for the filing status claimed on the 2023 Form 1040..... • \$13,850 Single. • \$20,800 HOH. • \$27,700 MFJ or QSS. • \$13,850 MFS not required to itemize.	5) _____
6) Multiply the number of any boxes checked next to standard deduction on page 1 of the 2023 Form 1040 by \$1,500 (\$1,850 if single or HOH in 2023).....	6) _____
7) Add lines 5 and 6.....	7) _____
8) Subtract line 7 from line 4. If zero or less, enter -0-.....	8) _____
9) Taxable part of refund. Enter the smaller of line 3 or line 8 here and on line 1 of Schedule 1, Form 1040.....	9) _____

Alimony Received

See *Alimony* on Page 13-12.

Enter amounts received as alimony or separate maintenance pursuant to a divorce or separation agreement entered into on

or before December 31, 2018. Enter the month and year of the original divorce or separation agreement that relates to the alimony payment reported. If alimony payments are from more than one divorce or separation agreement, enter the month and year from the divorce or separation agreement for which the most income was received. Attach a statement listing the month and year of the other agreements.

Business Income/Loss

Schedule C. See Tab 6.

Other Gains/Losses

Form 4797. See *Sales of Business Property* on Page 7-13.

Rental Real Estate, Royalties, Partnerships, S Corporations, Trusts, etc.

Schedule E. See Tab 8. See *Partnership Property Distribution* on Page 8-3 for discussion on Form 7217.

Farm Income/Loss

See *Schedule F—Profit/Loss From Farming* on Page 6-16.

Unemployment Compensation

See IRS Pub. 525.

Unemployment compensation is taxable [IRC Sec. 85(a)]. Total unemployment compensation is reported to the taxpayer on Form 1099-G. If an overpayment was received and repaid during the year, subtract the repayment amount from the total and enter the result on line 7 of Form 1040, Schedule 1. Write "Repaid" and the amount repaid on the dotted line.

Repayments for prior years cannot be deducted from the benefits reported on line 7. See *Repayments of Income* on Page 5-20 for information on how to handle prior year repayments.

Other Income

Use line 8 of Form 1040, Schedule 1 to report any taxable income not reported elsewhere on the return. List the type and amount of income and, if necessary, include a statement showing the required information.

Examples of income to report:

- Income from the exercise of stock options not otherwise reported on Form 1040, line 1.
- Income from the rental of personal property if the taxpayer was not in the business of renting such property. Report expenses on line 24b of Form 1040, Schedule 1.
- Income from an activity not engaged in for profit. See *Business vs. Hobby Losses* on Page 6-10.
- Net operating loss deduction. See *Net Operating Loss (NOL)* on Page 6-14. Use Form 172 [Net Operating Losses (NOLs) For Individuals, Estates, and Trusts].
- Most prizes and awards.
- Olympic and Paralympic medals and USOC prize money. See Form 1040, Schedule 1 instructions.
- Jury duty pay.
- Gambling winnings. (Winnings over certain thresholds generally reported to taxpayer on Form W-2G.)
- Foreign earned income exclusion and/or the housing exclusion claimed on Form 2555, Part VIII.
- Taxable distributions from qualified tuition programs (QTPs) or Coverdell education savings accounts (ESAs). Taxable amount may be subject to 10% additional tax, reported on Form 5329. See *Education Savings Accounts* on Page 13-8 and *Qualified Tuition (Section 529) Programs* on Page 13-7.

Continued on the next page

- Taxable distributions from a health savings account (see *Taxable health savings account (HSA) distributions* on Page 4-22) or an Archer MSA. Taxable distributions may also be subject to an additional tax. See Forms 8889 and 8853.
- Deemed income from an HSA because the individual did not remain HSA-eligible during the testing period. See *Recapture* on Page 4-23.
- Reemployment trade adjustment assistance (RTAA) payments (Form 1099-G, box 5).
- Loss on certain corrective distributions of excess elective deferrals to employer retirement plans. A loss is reported as a negative amount and identified as "Loss on Excess Deferral Distribution."
- Dividends on insurance policies if they exceed the total of all net premiums paid for the contract.
- Taxable cancellation of debt income (non-business debts). See *Canceled Debt* on Page 4-4.
- Recapture of charitable contribution deductions related to donations of fractional interests in personal property or to property donations when the charity disposes of the property within three years.
- Taxable part of disaster relief payments.
- Taxable distributions from an ABL account. See *Qualified ABL Programs* on Page 13-3.
- Scholarship and fellowship grants not reported on Form W-2.
- Nontaxable amount of Medicaid waiver payment included on Form 1040, line 1a or 1d. See instructions.
- Pension or annuity from a nonqualified deferred compensation plan or a nongovernmental Section 457 plan.
- Wages earned while incarcerated.
- Digital assets received as ordinary income not reported elsewhere.
- Section 461(l) excess business loss adjustments.
- U.S. shareholders of controlled foreign corporations are required to report their (1) prorata share of the corporation's subpart F income under IRC Sec. 951, and (2) the global intangible low-taxed income (GILTI) in taxable income under IRC Sec. 951A. Include the amount figured on Form 8992, and attach a copy. Attach a copy of Form 5471 if applicable.
- Income and taxable reimbursements not included on any other line or schedule.



Taxable health savings account (HSA) distributions. Distributions not used for qualified medical expenses of the account beneficiary, spouse, or dependents are included in gross income and subject to a 20% additional tax. Exceptions to the additional tax include distributions after the beneficiary's death, disability, or attainment of age 65. (Qualified medical expenses are generally the same as for itemized medical expenses. See Tab 5. *Exception:* Insurance premiums normally are not treated as a qualified medical expense for HSAs.)

All HSA distributions are reported on Form 8889 [Health Savings Accounts (HSAs)] where the taxable amount and 20% additional tax, if any, are computed and carried to line 8f of Form 1040, Schedule 1; and line 17c of Form 1040, Schedule 2, respectively.

Crowdfunding. For years beginning after 2024 (tax years 2024 and 2025 are transitional years—see IR 2023-221, *Notice 2024-85*), the Form 1099-K filing threshold is met when the total of all payments distributed to a person is more than \$600, regardless of the number of transactions or donations. However, payment processors are not required to file Form 1099-K if the contributors to the crowdfunding campaign do not receive goods or services for their contributions. Conversely, when a payment processor distributes money raised meeting the reporting threshold (\$600), and the contributors received goods or services for their contributions, then a Form 1099-K is required to be filed. Box 1 should reflect the gross amount of the distributions made during the calendar

year; however, the issuance of Form 1099-K does not automatically mean the amount reported is taxable to the recipient. For further discussion, see *Form 1099-K Transactions* on Page 4-20.

The income tax consequences depend on all the facts and circumstances and the distribution of the money raised may not be taxable income to the recipient. Income is taxable unless specifically excluded, and gifts are generally excluded. If crowdfunding contributions are made as a result of the contributors' detached and disinterested generosity, and without the contributors receiving or expecting to receive anything in return, the amounts may be gifts and therefore may not be includible in the gross income of those for whom the campaign was organized.

Note: Crowdfunding organizers and any person receiving amounts from crowdfunding should keep complete and accurate records of all facts and circumstances surrounding the fundraising and disposition of funds for at least three years.

SCHEDULE 1—PART II: ADJUSTMENTS TO INCOME

Educator Expenses

See *Educator expenses—Form 1040, Schedule 1* on Page 9-7.

Business Expenses for Certain Employees

Form 2106. See *Above-the-Line Deduction for Certain Employees* on Page 9-7.

Health Savings Account Deduction

See IRS Pub. 969.

A health savings account (HSA) is a savings account set up exclusively for paying the qualified medical expenses of the account beneficiary or the beneficiary's spouse or dependents (IRC Sec. 223).

Eligible individuals. To qualify for an HSA, an individual:

- Must be covered under a high deductible health plan (HDHP).
- May not be covered under any non-HDHP health plan.
- Cannot be enrolled in Medicare. See INFO 2016-0003 and 2016-0014 for guidance on computing the maximum HSA contribution for the year the individual reaches age 65 and first enrolls in Medicare.
- Cannot be eligible to be claimed as a dependent on another person's return.



Note: Telehealth and other remote care coverage is disregarded in determining eligibility in the case of plan years beginning after 2022, and before January 1, 2025.

The Inflation Reduction Act (IRA) of 2022 provided that for years beginning after 2022, an HDHP may provide a \$0 deductible for selected insulin products.

Employees. The employee, the employer, or both may contribute to the HSA.

- Contributions made by the employee are deductible.
- Contributions made by the employer (including contributions made through a cafeteria plan) are excluded from employee's income and are not subject to employment taxes.

S corporation shareholders. More-than-2% shareholders are not eligible for pre-tax HSA contributions by their employer. Employer contributions to a more-than-2% shareholder's HSA are generally treated as compensation and then deducted by the shareholder (Notice 2005-8).

Earnings Limit for Individuals Receiving Benefits Before FRA (2025)

Under FRA, benefits reduced by \$1 for each \$2 earned over	\$23,400
Year FRA reached, benefits reduced \$1 for each \$3 earned over (months up to FRA only)	62,160
Month FRA reached and later.....	No Limit

- Wages, salaries, and commissions count toward the earnings limit when earned, and not when paid.
- Net SE income counts toward the earnings limit when paid, and not when earned. *Exception:* Net SE income does not count toward the earnings limit if paid in a year after the retiree became eligible for social security, and it was earned before the retiree became eligible for social security benefits.

Notes:

- If other family members receive benefits on the worker's record, total family benefits will be affected by the worker's earnings.
- If a family member works, the family member's earnings affect only his own benefits.
- Earnings do not affect entitlement to Medicare benefits.

Example: Elroy began receiving social security benefits in 2024, but did not reach FRA until August 1, 2025. He earned \$63,600 in the seven months from January through July of 2025. During this period, his social security benefit is reduced by \$480 $[(\$63,600 - \$62,160) \div 3]$.

Special payments after retirement. After the taxpayer begins taking benefits, he may receive special payments for work done before receiving social security benefits. Usually, special payments will not affect benefits if the Social Security Administration knows that the special payments are for compensation for work done before taking benefits. Bonuses, vacation pay, commissions, and sick pay are examples of special payments.

Contact the Social Security Administration and inform them when earnings include a special payment. If they agree, the special payment will not be counted toward the total earnings for the year.

Special rule—first year benefits received. When a person begins receiving benefits before FRA, the earnings limit only applies to the months after he begins collecting social security benefits.

Example: John turned age 62 on August 30, 2025 and chose to begin receiving social security benefits on that date. Before he began receiving benefits, John worked full time and earned \$45,000 during January through August of 2025. Assume John takes a part-time job in September of 2025 and earns \$500 per month from September–December. Although his earnings for the year substantially exceed the 2025 earnings limit (\$23,400), he will still receive a full social security check for September through December because his earnings in those months are less than the 2025 monthly limit of \$1,950 $(\$23,400 \div 12)$. The limit is applied on a monthly basis only for the year benefits are first received. In future years, the earnings limit applies on a yearly basis.

Government Pension Offset (GPO)

If a retiree receives a pension from work not covered by social security (federal civil service, state or local government employment, etc.), social security benefits may be reduced.

There are several exceptions to the GPO rules. Details are available at www.ssa.gov. Basically, any social security benefits a retiree may be eligible to receive will be reduced by two-thirds of any retirement benefits from non-covered employment. This includes benefits the retiree might be entitled to as a spouse or a widow based on the earnings of the retiree's spouse.

Law Change Alert: The Social Security Fairness Act (HR 82) was signed into law on January 5, 2025. The Act repeals the GPO provisions effective December 31, 2023. The SSA is evaluating how to implement the Act, particularly as it is retroactive. Practitioners should continue to monitor this situation.

Example: Ray receives a civil service pension of \$600 per month. He is eligible to receive a \$500 spousal benefit based on his spouse, May's, social security account. However, two-thirds of his monthly pension (\$400) will offset his spousal benefit so he will receive only \$100 $(\$500 - \$400)$. May's benefit is not reduced unless she also receives a pension from employment not covered by social security.

Months Benefits Are Not Payable

No benefits are payable for:

- The month of the person's death (for worker's benefits only; survivors' benefits begin in the month of the worker's death).
- The month in which a person reaches age 62 (unless the birthday is on the first or second day of the month). An individual receiving benefits at full retirement age receives the first check for the first month he meets all of the eligibility requirements.
- Months during which an individual serves jail time related to a crime punishable by imprisonment of at least one month for which he is convicted. For most social security programs, the full month's benefits are not payable even when an individual served only a day of that month in jail surrounding a criminal conviction.

Note: Family members eligible for benefits can continue to receive benefits.



FAMILY AND SURVIVOR BENEFITS

See the *Social Security Quick Chart—Family, Survivor, and Disability Benefits (2025)* on Page 14-27 for information on survivor benefits.

DISABILITY BENEFITS

See the *Social Security Quick Chart—Family, Survivor, and Disability Benefits (2025)* on Page 14-27 for information on disability benefits.

Definition. *Disabled* under social security means a worker must have a medical condition that: (1) prevents the worker from doing the work he did before, (2) prevents him from adjusting to other work, and (3) is either expected to last (or has lasted) for at least 12 months, or expected to result in death. Social security disability benefits are not intended for temporary conditions.

Determination of Disability—Process

- 1) If earnings average more than \$1,620 (\$2,700 if blind) (in 2025) per month, a person is generally not considered disabled.
- 2) Impairments must interfere with basic work-related activities.
- 3) Condition must be found in the list of disabling impairments maintained by the SSA. If the condition is not on the list, a decision is made if it is of equal severity to an impairment on the list.
- 4) Determination must be made whether the condition interferes with the ability to do the kind of work done before the disability.
- 5) If work done before cannot be done, other types of work are considered. Age, education, past work experience, and transferable skills are considered.

Note: Special rules apply to blind persons because of the impact of blindness on the ability to work. Contact the SSA for information.

Work Incentives

If a person is receiving disability benefits, the following work incentives apply.

Note: Disabled recipients must report all income received from work, no matter how little the amount.

Trial work period allows individuals to test their ability to work for at least nine months. During a trial work period, individuals receive full social security benefits regardless of how much they earn as long as they report their work activity and continue to have a disabling impairment. In 2025, a trial work month is any month in

which the disabled individual's earnings are over \$1,160. The trial work period continues until the individual has worked nine months within a 60-month period.

Extended eligibility period. For at least 36 months after a successful trial work period, if a person is still disabled, he will be eligible to receive a monthly benefit without a new application for any month his earnings drop below \$1,620 (\$2,700 if blind) (for 2025).

Expedited reinstatement. If benefits stop due to substantial earnings, a person who is unable to continue working due to his disability has five years to request that his benefits resume without reapplying or waiting for a review of the medical condition.

Deductions for impairment-related expenses. Work expenses related to the disability may be deducted from earnings in determining whether they constitute substantial work.

Medicare continuation. If an individual has premium-free Medicare hospital insurance and starts working, he may have at least 8½ years of extended coverage (including the nine-month trial work period if he is still disabled). After that, the individual may purchase Medicare Part A coverage by paying a monthly premium.

Other Payments—Impact on Disability Benefits

Workers' compensation or certain other government disability benefits may reduce social security disability benefits, or social security disability benefits may reduce other disability payments. The sum of all social security disability benefits paid to the worker and to his family cannot exceed 80% of the worker's earnings averaged over a period of time shortly before the disability.

Disabled After Age 62

If a worker becomes disabled after age 62 and has received a reduced retirement benefit before becoming entitled to disability payments, the disability benefit will be reduced for the number of months he received the early retirement benefit.

MEDICARE

www.medicare.gov

Medicare is a national health insurance program for:

- Persons age 65 and older.
- Certain disabled persons.
- Person of any age with end-stage renal disease or Lou Gehrig's disease.

Medicare is four programs:

- *Part A: Hospital insurance.* For most Medicare beneficiaries, there is no premium for Medicare Part A. Individuals who are ineligible for free Part A can still enroll, but must pay a premium. See the table *Medicare Part A Premiums (2025)* on Page 14-30.
- *Part B: Medical insurance.* See the table *Medicare Part B Premiums (2025)* on Page 14-31.
- *Part C: Combined Part A and Part B.* Private insurance companies approved by Medicare provide this combined coverage through Medicare Advantage Plans like HMOs and PPOs.
- *Part D: Prescription drug coverage.* Optional coverage—see *Medicare Drug Plans (Part D)* on Page 14-31.

Note: See the table *2025 Medicare Benefits* on Page 14-32 for a listing of covered services.

Medicare premium assistance. If a Medicare recipient has limited income and assets, programs are available to help pay medical costs. State rules vary. Contact the applicable state medical assistance (Medicaid) office. Contact information for each state is available at www.medicare.gov. Choose "Talk to someone", "Find Your State Office," and select your state.

1) *Qualified Medicare Beneficiary (QMB).* Pays Medicare premiums, deductibles, coinsurance, and copayments for certain elderly and disabled persons entitled to Medicare Part A.

- 2) *Specified Low-Income Medicare Beneficiary (SLMB).* Pays the medical insurance (Part B) premium for persons with incomes up to 20% over the national poverty level.
- 3) *Qualifying Individual (QI).* Pays the Part B premiums only.
- 4) *Qualified Disabled & Working Individuals (QDWI).* Pays Part A premiums only.

Eligibility for Hospital Insurance (Part A)

Age 65 and older. A person is eligible for Medicare Part A if he:

- 1) Is receiving social security or railroad retirement benefits,
- 2) Is not receiving social security or railroad retirement benefits, but has worked long enough to be eligible for them,
- 3) Is entitled to social security benefits based on his spouse's (or divorced spouse's) work record, and that spouse is at least age 65 (the spouse does not have to apply for benefits in order for the person to be eligible based on the spouse's work) or
- 4) Has worked long enough in federal, state or local government to be insured for Medicare.

Under age 65. A person is eligible for Medicare Part A if he:

- Has been entitled to social security disability benefits for at least 24 months,
- Has received a disability pension from the railroad retirement board and meets certain conditions, or
- Has Lou Gehrig's disease or end-stage renal disease.

Family members:

- 1) Under certain conditions, a spouse, divorced spouse, surviving spouse, and dependent parent may be eligible for hospital insurance at age 65.
- 2) Disabled surviving spouse under age 65, disabled divorced surviving spouse under age 65, and disabled children may be eligible, usually after a 24-month qualifying period.

Permanent kidney failure. People with end-stage renal disease are eligible for Medicare Part A at any age if they receive maintenance dialysis or a kidney transplant and:

- Are insured or are getting monthly benefits under social security or the railroad retirement system or
- Have worked long enough in government for Medicare insurance.

Notes:

- A spouse or child with this condition may be eligible for coverage based on another's work record.
- There may be a three-month waiting period after dialysis treatments begin for coverage to commence.



Medicare Part A Premiums (2025) ¹	
Quarters of Covered Employment	Monthly Premium
30–39.....	\$285
Less than 30.....	\$518

¹ Applies only if ineligible for premium-free Part A. Part A is generally free when individual (or spouse) has at least 40 quarters of coverage.

Eligibility for Medical Insurance (Part B)

- 1) A person age 65 or older, or a person entitled to Part A hospital insurance benefits, can enroll in Part B plan by paying a monthly premium. No social security or government work quarters of coverage are needed.
- 2) Aliens age 65 or older not eligible for premium-free Part A must be lawfully admitted permanent residents and live in the U.S. for five continuous years before they can enroll in Part B.

Higher Part B premiums for higher income individuals. Certain Medicare Part B enrollees pay a higher Part B premium based on their income.

Corporations



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BASICS OF CORPORATIONS

Form 1120; see also IRS Pub. 542

Filing Requirements

Every corporation (except exempt—although exempt organizations that are corporations could be required to file other forms such as 990 and 990-T) must file regardless of the amount of income or loss. A corporation must continue to file until it is dissolved.

Filing deadline. For most C corporations, by the 15th day of the fourth month following the close of the tax year.

🔍 **Note:** For tax years beginning in 2016 or later, C corporation returns are due April 15 (or the 15th day of the fourth month following the close of a fiscal year). For corporations with a June 30 year end, the due date change will be effective for tax years beginning after 2025.

Electronic filing of Form 1120 beginning in 2024 (2023 calendar year returns) is required for C corporations that annually file 10 or more returns of any type (including information returns such as Forms 1099s, W-2s, etc.). The final regulations eliminate the e-filing exception for income tax returns of corporations that report total assets under \$10 million at the end of their taxable year. However, under certain conditions, corporations can request a hardship waiver of the electronic filing requirements [Reg. 301.6011-5(b)]. Additionally, the IRS provides an administrative exemption from e-filing for taxpayers for whom using the technology required to e-file conflicts with their religious beliefs (religious exemption). Generally, taxpayers claiming the religious exemption have the option to submit Form 8508 (Application for Waiver from Electronic Filing of Information Returns). However, taxpayers filing Form 1120 claiming the religious exemption must not file Form 8508 and should instead file the tax return in paper form, printing in bold letters “Religious Exemption” at the top of page 1 (Notice 2024-18). Filers who qualify for the religious exemption are not subject to the electronic filing waiver procedure that is available to other filers. The updated electronic filing regulations are applicable to corporate income tax returns required to be filed during calendar years beginning after December 31, 2023.

Extension deadline and form number. Form 7004 extends the deadline (1) six months for calendar year C corporations, (2) seven months for June 30 year end C corporations or (3) six months for other fiscal year C corporations (Reg. 1.6081-3). An extension to file does not extend the time for paying tax.

Penalties:

- Estimated tax underpayment: see *Estimated Tax* on Page 17-3.

- Failure to make tax payments utilizing authorized methods: see *Tax Payments* on Page 17-3.

- Late filing penalty: 5% of the unpaid balance per month or part of a month, up to a maximum of 25% (plus any underpayment and/or late payment penalties and interest) [IRC Sec. 6651(a)(1)].

- Minimum penalty for late filing in 2025 (including 2024 tax year returns due in 2025): if a return is more than 60 days late (including extensions), lesser of \$510 or 100% of the amount of tax required to be shown on the return [IRC Sec. 6651(a)].

🔍 **Note:** The statutory penalty amount is indexed by a cost-of-living adjustment (COLA).

- Late payment penalty: tax not paid by due date of a return is subject to a penalty of one half of one percent per month or part of a month, up to a maximum of 25% [IRC Sec. 6651(a)(2)].

If the corporation is assessed a penalty for late payment of tax for the same period in which a late filing penalty applies, the penalty for late filing is reduced by the amount of penalty for late payment, but not below the amount of the minimum penalty for late filing discussed earlier. Penalties for late filing and late payment will not be imposed if the corporation can show the failure was due to reasonable cause. A statement explaining the reasonable cause should be attached to the tax return. For reasonable cause exceptions, see Section 20.1.1.3—Criteria for Relief From Penalties, of the Internal Revenue Manual (available at www.irs.gov/irm).

Beneficial ownership reporting. The Corporate Transparency Act (CTA) establishes uniform beneficial ownership information reporting requirements for certain types of corporations, limited liability companies, and other similar entities created in or registered to do business in the United States. The CTA authorizes FinCEN to collect that information and disclose it to authorized government authorities and financial institutions, subject to effective safeguards and controls. The CTA and its implementing regulations will provide essential information to law enforcement, national security agencies, and others to help prevent criminals, terrorists, proliferators, and corrupt oligarchs from hiding illicit money or other property in the United States. The CTA is part of the Anti-Money Laundering Act of 2020 (AML Act).

🔍 **Note:** A final rule implementing the beneficial ownership information reporting requirements of the CTA was issued in September 2022. These regulations went into effect on January 1, 2024.

⚠️ **Caution:** Due to recent litigation, BOI reports are not currently required to be filed and are not subject to penalties for failure to file. However, reporting companies may continue to voluntarily submit BOI reports. Practitioners should continue to monitor the situation.

For more information, see *Beneficial Ownership Information Reporting* on Page 20-8.


Tax Rates on Taxable Income

The corporate tax rate is a flat 21%. This rate also applies to personal service corporations (PSCs) [see *Personal Service Corporation (PSC)* on Page 20-14].

Tax rate exceptions. Personal holding companies (PHCs) are subject to a 20% tax on undistributed PHC income [see *Personal Holding Company (PHC)* on Page 20-16]. C corporations may also be subject to a 20% accumulated earnings tax on accumulated taxable income (see *Accumulated Earnings Tax* on Page 17-13).


Stock buyback excise tax. The Inflation Reduction Act of 2022 added IRC Sec. 4501, which imposes a nondeductible excise tax on certain repurchases of corporate stock. This includes repurchases of their own stock or having their stock acquired by certain affiliates. Final regulations, effective June 28, 2024 (TD 10002) provide guidance on the new excise tax with respect to filing and payment requirements. Generally applicable to publicly traded domestic and certain foreign C corporations, the excise tax equals 1% of the fair market value (FMV) of any stock of the corporation that's repurchased by the corporation after December 31, 2022.

Form 7208 (Excise Tax on Repurchase of Corporate Stock) will be used by affected taxpayers and attached once a year to their Form 720 (Quarterly Federal Excise Tax Return). For tax years ending after December 31, 2022 and before July 1, 2024, both forms must be filed by October 31, 2024. If a corporation has multiple tax years within this period, it should file one Form 720 with two separate Form 7208 for each tax year. For a tax year ending on or after June 28, 2024, the due date is the due date of the Form 720 for the first full quarter after that year end. The new stock buyback excise tax applies to *covered corporations* whose stock is repurchased or acquired during its taxable year by the corporation or a specified affiliate from a person who is not the covered corporation or a specified affiliate of the covered corporation. A *covered corporation* is any domestic corporation whose stock is traded on an established securities market [IRC Sec. 4501(b)]. This includes any subsidiary or partnership that's more than 50% owned, directly or indirectly, by the covered corporation [IRC Sec. 4501(c)(2)]. In some instances, the excise tax will apply to the acquisition of stock of certain foreign corporations [IRC Sec. 4501(d)].

 **Note:** While the corporations subject to the excise tax must be publicly traded, the repurchased stock itself need not be publicly traded. So, corporations will need a means of establishing the FMV of repurchased stock that's not traded on an established market. IRC Sec. 4501(e) provides a "de minimis" exception for stock repurchases subject to the excise tax. The excise tax does not apply where the total value of the stock repurchased during the tax year does not exceed \$1 million.

Proposed regulations (REG-115710-22) clarify that the determination of whether the de minimis \$1 million exception applies in a given taxable year is made before applying a reduction for a statutory exception and a reduction under the netting rule. This means a corporation may still owe tax on stock repurchases of less than \$1 million if the aggregate amount of the repurchases exceeds \$1 million before exceptions and netting.

The proposed regulations also provide statutory exceptions to the excise tax, namely exceptions for reorganizations under IRC Sec. 4501(e)(1). The proposed regulations also include exclusive lists of transactions both subject to and exempt from the excise tax.

 **Note:** While TD 10002 finalized rules related to the reporting and payment requirements for the excise tax, interim guidance from proposed regulation REG-115710-22 related to the statutory netting rule and the \$1 million "de minimis" exception for stock purchases has not yet been finalized.


Corporation Defined


For federal tax purposes, corporations include the following:

- 1) Businesses organized under a federal or state law that identifies the entity as a corporation.
- 2) Joint stock companies.
- 3) Insurance companies.
- 4) Certain banks.
- 5) Business entities wholly owned by a state or any political subdivision thereof.
- 6) Certain foreign business entities.

Other entities, such as publicly traded partnerships, may be treated as corporations by other Code sections.

Check-the-box rules. Noncorporate entities, such as sole proprietorships and partnerships, may elect to be taxed as corporations by filing Form 8832 (Entity Classification Election).

 **Note:** Corporations cannot elect out of corporate tax treatment. If an entity is classified as a corporation under IRS regulations, the entity must file as a corporation.

 **Caution:** Some states have rules that classify entities for tax purposes. Not all states recognize reclassification of an entity under the check-the-box rules.

See *Check-the-Box Rules—Entity Classification Election (Form 8832)* on Page 20-2 for more information.

Limited Liability

A corporation formed under state law shields owners from liability for the corporation's actions. A shareholder's risk of loss is limited to the amount invested in stock. This is in contrast to sole proprietors or general partners in partnerships, who are personally liable for debts of the business.

State laws determine an entity's liability status. A proprietor or partnership cannot receive limited liability status simply by electing to be taxed as a corporation under the check-the-box rules.

Courts have disregarded the limited liability status of corporate shareholders in the following circumstances:

- Fraud.
- Bad faith.
- Failure to observe corporate formalities.
- Need to accomplish substantial justice.

A shareholder owning 100% of the stock of a corporation is particularly susceptible to having the corporate veil pierced. Incorporating a business is not a substitute for liability insurance.

Other shareholder liability. A corporation will not protect a shareholder from liability directly linked to the individual. For example, a shareholder who personally guarantees a corporate loan is liable for repayment. Similarly, if a shareholder performs services using his own vehicle and is involved in an accident, he may be liable for damages because he owns the vehicle.

Tax Treatment of C Corporations

For federal income tax purposes, a C corporation is a separate taxpaying entity. A corporation conducts business, realizes net income or loss, pays taxes, and distributes profits to shareholders. Income is taxed to the corporation when earned, and taxed again when distributed to the shareholders as dividends. The corporation does not receive a tax deduction for the dividends paid.

Example: Lookback Corporation is taxed at a flat 21% and its sole shareholder is in the highest individual bracket. The corporate tax on \$1,000 of profits equals \$210. The remaining \$790 dividend will incur tax of \$188 to the shareholder since he is in the highest bracket (20% individual tax rate on dividends plus 3.8% net investment income tax). This leaves \$602 in after-tax profits for the shareholder and results in an effective combined tax rate of 39.8%.

Unlike S corporations and partnerships, various types of income do not retain their character as they pass from a C corporation by dividends to shareholders.

Example: The BCA Corporation received tax-exempt interest and distributed it to shareholders as taxable dividends. The fact that the money was originally tax-exempt interest is of no consequence to a shareholder. However, if the company was an S corporation or a partnership, the tax-exempt interest would retain its character as it passed through to shareholders or partners.

Schedule M-3 (Form 1120)—Reconciliation of Books With Tax Return

Domestic corporations with total assets of \$10 million or more on the last day of the tax year must complete Schedule M-3 [Net Income (Loss) Reconciliation for Corporations With Total Assets of \$10 Million or More]. The schedule requires detailed explanations of the transactions that create book-tax differences, and is filed in place of Schedule M-1. Schedule M-3 is filed as an attachment to Form 1120. In addition, Form 8916-A (Supplemental Attachment to Schedule M-3) is filed to reconcile cost of goods sold and interest income and expense reported on Schedule M-3. Mixed consolidated return groups (those including certain insurance companies) must also file Form 8916 (Reconciliation of Schedule M-3 Taxable Income with Tax Return Taxable Income for Mixed Groups) to reconcile Schedule M-3 with their returns (Forms 1120, 1120-L, and 1120-PC).

A corporation filing Form 1120 that is not required to file Schedule M-3 may voluntarily file Schedule M-3 in place of Schedule M-1. For these corporations, and for those that are required to file Schedule M-3 but have less than \$50 million in total assets at the end of

years beginning after December 31, 2017, each unrelated business activity has the potential to create an NOL that cannot be used to offset income earned in the same year from any other unrelated business activity.

NOLs [Part II, line 17 of Schedule A (Form 990-T)] created in tax years beginning after December 31, 2017 can only be deducted against the income of the same type of activity that created the NOL. While losses created in tax years beginning after December 31, 2020, generally cannot be carried back to a prior period, they can be carried forward indefinitely. These losses may only be used to offset 80% of taxable income [IRC Sec. 172(a)(2)].

Losses created after December 31, 2017 that are carried forward to 2024 are deducted on Part II, line 17 of Schedule A (Form 990-T). Enter the NOL carryover from other tax years attributable to that trade or business on line 17, but do not enter more than the amount shown on Schedule A, Part II, line 16. The IRS has published a list of frequently asked questions (FAQs) addressing the carryback of siloed net operating losses at www.irs.gov/newsroom/faqs-carryback-of-nols-by-certain-exempt-organizations.

Qualified Business Income (QBI) Deduction for Trusts

For tax years 2018–2025, trusts may be able to deduct up to 20% of their QBI under IRC Sec. 199A. In general, trusts compute a deductible amount for each of their trades or businesses. The deductible amount is generally 20% of the business's QBI. However, if the trust's taxable income exceeds certain threshold amounts, the deduction is limited to an amount based on the business's W-2 wages or a combination of W-2 wages and investment in qualified property (the wage/investment limit).

Calculating QBI. UBI is computed separately for each unrelated trade or business [IRC Sec. 512(a)(6)]. Consequently, QBI does not include items of income, gain, deduction, and loss from any unrelated trade or business that operated at a loss. Similarly, when computing the wage/investment limit, trusts should not include any W-2 wages or qualified property from an unrelated trade or business. Taxable income (before the QBI deduction) is the amount reported on Part I, line 7 of the Form 990-T minus the Section 512(b)(12) specific deduction reported on Part I, line 8. Unrelated trades or businesses that are not included in UBTI because they operated at a loss are not included in the QBI calculation.

Reporting the QBI deduction. The QBI deduction is reported on Part I, line 9 of the Form 990-T. Forms 8995 and 8995-A are used to compute the QBI deduction.

🔍 **Observation:** Tax-exempt organizations created as corporations cannot claim the QBI deduction.

Dual Use of Assets or Facilities

An asset or facility needed to conduct exempt functions may also be used in a commercial endeavor. In these cases, using the asset or facility for exempt functions does not, by itself, make the income from the commercial endeavor gross income from a related trade or business. The test is whether the activities that produce the income in question contribute importantly to the accomplishment of exempt purposes.

Example: A museum has a theater auditorium designed for showing educational films in connection with its program of public education in the arts and sciences. The theater is a principal feature of the museum and operates continuously while the museum is open to the public. Any income it generates should be related to the museum's exempt purpose and not taxable unrelated business income. However, if the organization operates the theater on a regular basis as a motion picture theater for the public when the museum is closed (and shows the same selection of first-run movies that a commercial theater would show), the income would be unrelated trade or business income.

Depreciation

For assets used in an activity that produces unrelated business income for the organization, the entity is allowed to use regular

MACRS depreciation rules to claim depreciation on those assets [IRC Sec. 168(h)(1)(D)].

Allocation of Expenses

All business expenses must be allocated between UBI and exempt activities. Organizations must maintain adequate records of expenses allocated to each activity.

Elective Payment Election

The Inflation Reduction Act of 2022 allows certain tax-exempt entities to treat certain energy-related investment and production tax credit amounts for tax years beginning after December 31, 2022, as direct payments of tax ("the direct pay option") allowing exempt organizations to monetize these credits. Alternatively, these credits may be transferred to certain unrelated parties.

📌 **Note:** Rev. Proc. 2024-39 grants an automatic six-month extension of time to file an original or superseding Form 990-T for a taxable year ending on any day from 12/31/23–11/30/24 in order to claim direct payments of certain energy credits.

Applicable entities may take advantage of these credits listed in IRC Sec. 6417(b), which are refundable, to reduce the tax liability arising from unrelated business activities and to claim a refund regardless of whether there is taxable income [IRC Sec. 6417(d)(1)].

The applicable credits include the following [IRC Sec. 6417(b)]:

- Section 30C Alternative Fuel Refueling Property.
- Section 45 Renewable Electricity Production Credit.
- Section 45Q Carbon Oxide Sequestration Credit.
- Section 45U Zero-Emission Nuclear Power Production Credit.
- Section 45V Clean Hydrogen Production Credit.
- Section 45W Qualified Commercial Vehicles (eligibility limited to certain exempt organizations).
- Section 45X Advanced Manufacturing Production Credit.
- Section 45Y Clean Electricity Production Credit.
- Section 45Z Clean Fuel Production Credit.
- Section 48 Energy Investment Tax Credit.
- Section 48C Qualifying Advanced Energy Project Credit.
- Section 48E Clean Electricity Investment Credit (beginning January 1, 2025).

📌 **Note:** Placed-in-service date requirements apply to the credits under IRC Secs. 45, 45Q, and 45V.

Eligible entities. Generally, an applicable entity may make an elective payment election for any applicable credit determined under IRC Sec. 6417. An applicable entity includes any organization exempt from the tax imposed by subtitle A, including by reason of IRC Sec. 501(a). This includes all organizations described in Section 501(c), private foundations, social welfare organizations, labor organizations, business leagues, and others, as well as religious or apostolic organizations under IRC Sec. 501(d).

Additionally, applicable entities include states and political subdivisions such as local governments, Indian tribal governments, Alaska Native Corporations, the Tennessee Valley Authority, rural electric cooperatives, U.S. territories and their political subdivisions, and agencies and instrumentalities of state, local, tribal and U.S. territorial governments.

Advance registration. Electing the elective payment requires registering with the IRS through an IRS electronic portal in advance of filing the return on which the election is made. The IRS portal is available at <https://www.irs.gov/credits-deductions/register-for-elective-payment-or-transfer-of-credits>.

🔍 **Observation:** The pre-filing notice of the intent to claim and receive an elective payment must be submitted electronically in sufficient time to have a valid registration number (for each applicable credit property) at the time the Form 990-T is filed making the elective pay election. A valid registration number for the applicable credit property must be included on the Form 3800.

The pre-registration will include information about the organization, the applicable credits intended to earn, and each eligible project/property that will contribute to the applicable credit and other information required. Applicable entities need their own employee identification number (EIN) or tax identification number (TIN) to complete the pre-filing registration process.

Making the election. The elective payment election is made on an original annual tax return filed by the due date (including extensions) for the tax year for which the applicable credit is determined. The election cannot be made or revised on an amended return [Reg. 1.6417-2(b)(1)(ii)]. For an exempt organization, the election is made on Form 990-T. It is made by completing and attaching Form 3800, including Parts III and V (if applicable). The electing amount is then carried from Form 3800 to the appropriate line of Form 990-T. The election is generally not revocable and applies to any applicable credit for the tax year for which the election is made [Reg. 1.6417-2(b)(4)].

Determining the applicable credit. An applicable credit is determined for an applicable entity or electing taxpayer in cases where they own the underlying eligible credit property or, if ownership is not required, conduct the activities giving rise to the credit. No election may be made under IRC Sec. 6417 for any credits purchased pursuant to IRC Sec. 6418 or otherwise transferred [Reg. 1.6417-2(c)(4)].

Generally, an applicable credit is determined [Reg. 1.6417-2(c)(1)]—

- without regard to IRC Sec. 50(b)(3) and (4)(A)(i), and
- by treating any property for which that credit is determined as used in a trade or business of the applicable entity.

Note: There is no presumption that the trade or business is related or unrelated to a tax-exempt entity's exempt purpose [Reg. 1.6417-2(c)(2)(iv)].

No Double Benefit. For an applicable entity making the elective payment election for an applicable credit, this credit is reduced to zero. However, for any other tax provisions, it is deemed to have been allowed as a credit [Reg. 1.6417-2(e)].

Special Rules. Specific rules are provided in the regulations for elections related to the credit for the production of clean hydrogen and carbon oxide sequestration, as well as the advanced manufacturing production credit.

Form 990-T reporting. Form 990-T includes the following features for organizations filing to claim the Section 6417 credit:

- Item G—Organization type item includes a check box for Section “6417(d)(1)(A) applicable entity.”

- Item H—Check if filing only to claim item—includes a check box for “Elective payment amount from Form 3800.”
- Part III, Line 6g—Elective payment election amount from Form 3800.

COMPREHENSIVE EXAMPLE

Anytown Lions Club is operated by volunteers and conducts activities meant to promote the general welfare of all citizens. Anytown also operates a charitable gaming operation (pull-tabs) using paid workers. The following Income Statement and Balance Sheet present Anytown's results for the current year.

The completed Forms 990-EZ (including pages 2 and 3 of Schedule G), 990-T, and Schedule A (Form 990-T) in the following pages illustrate the current year required annual information reporting and unrelated business income tax reporting for Anytown based on the financial results presented.

Income:			
Noncash contributions			
– auction items	\$ 4,140	Pull-tabs.....	\$ 174,943
Interest.....	1,162	Fundraising events	8,921
		Total Income.....	\$ 189,166
Expenses:			
General:		Fundraising events:	\$ 5,906
Supplies.....	\$ 2,702	Gambling activities (pull-tabs):	
Conferences	1,294	Supplies.....	5,191
Dues	1,408	Rent.....	7,200
Federal income tax...	6,335	Accounting fees	5,400
Grants.....	1,784	Salaries.....	25,999
Subtotal—General	\$ 13,523	Repairs	900
		Taxes and license	22,722
		Pull-tab cash prizes	91,633
		Subtotal	\$ 164,951
		Total Expenses	\$ 178,474
		Net Excess (Deficit)	\$ 10,692
Balance Sheet:			
	Beginning of Year:	End of Year:	
Cash	\$ 3,513	\$ 3,487	
Temporary Investments	116,093	129,938	
Inventory	1,813	1,487	
Accounts Payable.....	(3,559)	(6,360)	
Fund Balance	(117,860)	(128,552)	

Notes

[illegible]

and deferred compensation paid by the qualified business during its tax year. Only include wages properly allocable to QBI. In addition, the business must file Form W-2 (and the transmittal Form W-3) reporting the wages to the Social Security Administration (SSA). For the W-2 wages to be considered for Section 199A purposes, the return must be filed on or before the 60th day after its due date (including extensions). In addition, the final QBI regulations clarify that the wages paid to officers of an S corporation and common law employees (including those paid by a third party) count for the wage/investment limit. Statutory employee compensation is not considered [Reg. 1.199A-2(b)(2)].

Methods for calculating W-2 wages. Rev. Proc. 2019-11 provides three methods for computing W-2 wages for the wage/investment limit. They are (1) the unmodified box method, (2) the modified Box 1 method, and (3) the tracking wages method.

Unmodified box method. Under this method, W-2 wages are the lesser of (1) the total entries in Box 1 of all Forms W-2 filed with the SSA or (2) the total entries in Box 5 of all Forms W-2 filed with the SSA.

Example #1: For 2024, Harbor, LLC has total Box 1 wages for all Forms W-2 filed with the SSA of \$400,000 and total Box 5 wages of \$450,000. Included in Harbor's total amount of wages reported in Box 1 is \$10,000 of supplemental unemployment compensation benefits paid to employees during the year. Harbor also sponsors a 401(k) plan with total employee elective deferrals for the year of \$25,000, which are reported in Box 12 of Forms W-2 using Code D. To keep things simple, Harbor selects the unmodified box method to calculate its W-2 wages for Section 199A purposes. Under this method, Harbor's total W-2 wages are \$400,000. This is calculated as the lesser of total Box 1 entries (\$400,000) or total Box 5 entries (\$450,000).

Modified Box 1 method. Under this method, start with the total amounts in Box 1 of all Forms W-2 filed with the SSA. Then, subtract amounts included in Box 1 that are not wages for federal income tax withholding purposes. This would include supplemental unemployment compensation benefits under Rev. Rul. 90-72. Finally, add the total amounts reported in Box 12 of Forms W-2 that are coded D, E, F, G, and S.

Example #2: Assume the same facts as in *Example #1* on Page 20-7, except that Harbor chooses the modified Box 1 method to calculate its W-2 wages for Section 199A purposes. Under this method, Harbor's total W-2 wages are \$415,000. This is calculated as the total of Box 1 wages (\$400,000), less the total of supplemental unemployment compensation benefits paid (\$10,000), plus the total of the amounts that are reported in Box 12 using Code D (\$25,000).

Tracking wages method. Under this method, W-2 wages equal all wages subject to federal income tax withholding that are reported on Forms W-2 filed with the SSA plus total amounts reported in Box 12 of Forms W-2 that are coded D, E, F, G, and S. This method must be used if the taxpayer has a short tax year. Also, include only those amounts that are paid, deferred, or contributed during the short tax year.

Example #3: Assume the same facts as in *Example #1* on Page 20-7, except that Harbor selects the tracking wages method to calculate its W-2 wages for Section 199A purposes. Under this method, Harbor's total W-2 wages are \$415,000. Instead of using the total of Box 1 wages reported on Forms W-2, Harbor tracks employee wages that are subject to federal income tax withholding and are reportable on Forms W-2. For 2024, this amount is \$390,000. Harbor then adds the total of the amounts that are reported in Box 12 using Code D (\$25,000).

The wage/investment limit doesn't apply if the taxpayer's taxable income (before the Section 199A deduction) is less than or equal to a threshold amount (for 2024, \$383,900 for MFJ; \$191,950 for Single, HOH, or MFS). The limit is phased in for MFJ with taxable income from \$383,900–\$483,900 (\$191,950–\$241,950 for Single, HOH, or MFS). The phase-in is computed by determining the amount by which 20% of QBI exceeds the wage/investment limit (the excess amount). The taxpayer's phased-in wage/investment

limit equals the excess amount multiplied by the percentage obtained when dividing the amount of taxable income that exceeds the threshold amount by \$100,000 for MFJ (\$50,000 for all other filers) [IRC Sec. 199A(b)(3)(B)].

QBI Deduction—Taxable Income Thresholds (2024)			
Taxable income before QBI deduction		Qualified trade or business	Specified service trade or business
MFS Single, HOH	MFJ		
\$0–191,950	\$0–383,900	20% deduction	20% deduction
\$191,950–241,950	\$383,900–483,900	Wage/investment limit phases in	Deduction phases out
Over \$241,950	Over \$483,900	Subject to wage/investment limit	No deduction

Note: The 20% deduction is limited to 20% of taxable income (excluding net capital gain).

Observation: As shown in the preceding table, no QBI deduction is allowed with regard to a SSTB if the taxpayer's taxable income before the deduction is over \$483,900 for MFJ (\$191,950 for Single, HOH, or MFS). For a non-SSTB, however, a deduction is allowed when taxable income exceeds the threshold amount, but is subject to the wage/investment limit.

Example: Carolyn practices law through Woodson, LLC, a disregarded single-member LLC (she reports the LLC's income on Schedule C). For 2024, she has the following:

- MFJ taxable income (before any QBI deduction) of \$443,900.
- QBI from her law practice (a SSTB) of \$200,000.
- W-2 wages paid to an administrative assistant of \$50,000.
- No qualified property.

Because her taxable income is over \$383,900 but not over \$483,900, the SSTB exception is phased in. Carolyn's taxable income over the threshold (\$443,900 – \$383,900 = \$60,000) is 60% into the phase-out range. Therefore, her applicable percentage is 40% and only \$80,000 (\$200,000 × 40%) of her income from Woodson, LLC is QBI. Similarly, Carolyn can only take \$20,000 (\$50,000 × 40%) of Woodson's W-2 wages into account to compute the deductible amount for Woodson.

Step 3—Determining the Combined QBI Amount

Once the deductible amounts for all qualified trades or businesses are calculated, those amounts are combined with 20% of qualified real estate investment trust (REIT) dividends and qualified publicly traded partnership (PTP) income [IRC Sec. 199A(b)(1)]. The result is known as the combined QBI amount.

Note: If the combined REIT/PTP income amount is a loss, the QBI deduction related to such income is zero for the tax year (that is, it does not reduce a positive QBI amount from trades or businesses) [Reg. 1.199A-1(d)(3)]. Instead, the loss is carried forward and offsets combined REIT/PTP income in the succeeding tax year. See Reg. 1.199A-3(c) for more guidance on REIT/PTP income.

Step 4—Calculating the Final Deduction

The final QBI deduction is the lesser of:

- 1) The combined QBI amount calculated in Step 3 or
- 2) 20% of the excess of taxable income before QBI deduction over the taxpayer's net capital gain [IRC Sec. 199A(a)].

This last restriction is generally referred to as the *taxable income limit*.

Note: Special rules apply when calculating the QBI deduction for patrons of agricultural or horticultural cooperatives. See *Qualified Business Income (QBI) Deduction* in Tab 6.

Example #1: Mike files a joint return that includes his wholly-owned LLC (Schedule C) business. His 2024 taxable income (before any QBI deduction) is \$443,900. QBI from his LLC is \$300,000. The business pays total wages of \$100,000 and owns qualified property with an unadjusted basis of \$500,000. Since Mike's taxable income is over the \$383,900 threshold amount for MFJ, but less than \$483,900, his 20% QBI deduction is subject to phase-out and the wage/investment limit.

The following table shows Mike's QBI deduction, depending on whether his LLC is a qualified trade or business or SSTB.

	Qualified Trade or Business	SSTB
Filing status	MFJ	MFJ
Taxable income before QBI deduction.....	\$ 443,900	\$ 443,900
Applicable threshold amount	\$ 383,900	\$ 383,900
Applicable phase-out range	\$ 100,000	\$ 100,000
Specified service business phase-in %	N/A	40% ¹
Qualified business income (QBI)	\$ 300,000	\$ 120,000 ²
W-2 wages paid by business	\$ 100,000	\$ 40,000 ²
Qualified property	\$ 500,000	\$ 200,000 ²
QBI × 20% (A)	\$ 60,000	\$ 24,000
Wage/investment limit ³ (B)	\$ 50,000	\$ 20,000
Phase-in of limit % (C)	60% ⁴	60% ⁴
Reduction amount (D)	\$ 6,000 ⁵	\$ 2,400 ⁵
QBI deduction [(A) – (D)]	\$ 54,000	\$ 21,600
Taxable income limitation	\$ 88,780	\$ 88,780
Allowable QBI deduction	\$ 54,000	\$ 21,600

¹ $1 - [(\$443,900 - \$383,900) \div \$100,000]$.

² $\$300,000 \times 40\%$; $\$100,000 \times 40\%$; $\$500,000 \times 40\%$.

³ Greater of (a) 50% of wages or (b) 2.5% of qualified property + 25% of wages.

⁴ $(\$443,900 - \$383,900) \div \$100,000$.

⁵ $(\$60,000 - \$50,000) \times 60\%$; $(\$24,000 - \$20,000) \times 60\%$.

Example #2: Assume same facts as Example #1 except that Mike's taxable income (before any QBI deduction) is \$320,000. Since taxable income is less than \$383,900, any business is treated as a non-SSTB, the wage/investment limit does not apply, and the QBI deduction is simply 20% of \$300,000, or \$60,000.

Note: The 20% of taxable income limitation could impact the allowable deduction—see *Step 4—Calculating the Final Deduction* on Page 20-7.

Example #3: Assume same facts as Example #1 except that Mike's taxable income (before any QBI deduction) is \$500,000. Since taxable income is more than \$483,900 ($\$383,900 + \$100,000$ phase-out range), no QBI deduction is allowed for a SSTB. Therefore, Mike's QBI deduction calculations would be as follows:

	Qualified Trade or Business	SSTB
Filing status	MFJ	MFJ
Taxable income before QBI deduction.....	\$ 500,000	\$ 500,000
Applicable threshold amount	\$ 383,900	\$ 383,900
Applicable phase-out range	\$ 100,000	\$ 100,000
Specified service business phase-in %	N/A	0% ¹
Qualified business income (QBI)	\$ 300,000	\$ 0 ²
W-2 wages paid by business	\$ 100,000	\$ 0 ²
Qualified property	\$ 500,000	\$ 0 ²
QBI × 20% (A)	\$ 60,000	\$ 0
Wage/investment limit ³ (B)	\$ 50,000	\$ 0
Phase-in of limit % (C)	100% ⁴	0% ⁴
Reduction amount (D)	\$ 10,000 ⁵	\$ 0
QBI deduction [(A) – (D)]	\$ 50,000	\$ 0
Taxable income limitation	\$ 100,000	\$ 100,000
Allowable QBI deduction	\$ 50,000	\$ 0

¹ $1 - [(\$500,000 - \$383,900) \div \$100,000]$ (but not less than 0).

² $\$300,000 \times 0\%$; $\$100,000 \times 0\%$; $\$500,000 \times 0\%$.

³ Greater of (a) 50% of wages or (b) 2.5% of qualified property + 25% of wages.


⁴ $(\$500,000 - \$383,900) \div \$100,000$, limited to 100%.

⁵ $(\$60,000 - \$50,000) \times 100\%$.

Other Considerations


Keep the following in mind when calculating the QBI deduction:

- The deduction applies only for income tax purposes—it doesn't reduce self-employment tax [IRC Sec. 199A(f)(3)].
- The deduction isn't taken into account in determining adjusted gross income (AGI) [IRC Sec. 62(a)]. However, the deduction (1) can be taken by taxpayers who don't itemize deductions and (2) may be taken into account in determining withholding allowances.
- For AMT purposes, QBI is determined without regard to any adjustments under IRC Secs. 56 through 59 [IRC Sec. 199A(f)(2)].

 **Note:** IRS FAQs are available at www.irs.gov/newsroom/tax-cuts-and-jobs-act-provision-11011-section-199a-qualified-business-income-deduction-faqs.

Accuracy-Related Penalty

For taxpayers claiming the Section 199A deduction, the 20% accuracy-related penalty for a substantial understatement of tax applies if the understatement is more than the greater of 5% (rather than the customary 10%) of the tax required to be shown or \$5,000 [IRC Sec. 6662(d)(1)(C)].


 **Observation:** This change to the penalty indicates that Congress is aware of the potential for gamesmanship and is attempting to discourage aggressive positions with respect to the deduction. This may be an issue particularly for taxpayers trying to claim that their SSTB is a non-SSTB.

BENEFICIAL OWNERSHIP REPORTING

The Corporate Transparency Act of 2020 (CTA), enacted January 1, 2021, created new reporting requirements relating to the beneficial owners of certain companies doing business in the U.S. The Financial Crimes Enforcement Network (FinCEN) issued final regulations on September 30, 2022 that became effective on January 1, 2024. The new rules are intended to protect U.S. financial systems from criminal use by providing information to national security, intelligence, and law enforcement agencies to help prevent the use of so-called shell companies to launder money or hide assets.

According to the preamble to the regulations, shell companies are typically nonpublicly traded corporations, LLCs, or other types of entities with no physical presence and little to no economic value. They can be used to carry out financial transactions while concealing their owners' involvement. Some shell companies are used to engage in criminal activity, such as money laundering, human and drug trafficking, tax or financial fraud, terrorism financing, or other illegal activity. Currently, the data available to law enforcement about who owns and operates businesses is generally limited to what is collected when the entity is created. The majority of states do not require detailed information about ownership or control when a company is formed.

The new reporting requirements aim to increase transparency and create a centralized database with beneficial ownership information, hindering the ability for criminals to use shell companies for illegal activity. Tax professionals should be prepared by understanding which of their clients will be subject to the new reporting requirements and what information will need to be reported beginning in 2024. The report can be filed either by uploading a PDF or filling out the online report. The report and online filing platform can be accessed at <https://boiefiling.fincen.gov/fileboir>. The website has helpful guidance with includes a Quick Reference Guide and Step-by-Step Instructions on how to file the report.

 **Caution:** Due to recent litigation, BOI reports are not currently required to be filed and are not subject to penalties for failure to file. However, reporting companies may continue to voluntarily submit BOI reports. Practitioners should continue to monitor the situation.

Filing Requirements

Both domestic and foreign reporting companies are subject to the new beneficial ownership reporting requirements. A domestic reporting company is a corporation, LLC, or any other entity created

- (5) address of a reporting company with no principal place of business in the U.S.
- (6) subsidiaries partially controlled by an exempt and non-exempt entity do not qualify for the subsidiary exemption.
- (7) how FinCEN identifiers are used.

Litigation

On March 1, 2024, a U.S. District Court ruled that the CTA was unconstitutional because it “exceeds the Constitution’s limits on the legislative branch and lacks a sufficient nexus to an enumerated power to be a necessary or proper means of achieving Congress’ policy goal.” In this instance, the plaintiffs, National Small Business Association (NSBA) and an NSBA member, sued the Treasury Department after FinCEN issued the final rule, alleging that the mandatory disclosure requirements exceed Congress’ authority under Article I of the Constitution and violate the First, Fourth, Fifth, Ninth, and Tenth Amendments. In its conclusion, the Court ruled in favor of the plaintiffs and prohibited FinCEN from enforcing the CTA against them. Currently, FinCEN is not currently enforcing the CTA against the plaintiffs involved in the case. Specifically, FinCEN will not require the NSBA or members of the NSBA as of March 1, 2024, to provide BOI information “at this time.” On March 11, 2024, Treasury filed a Notice of Appeal, confirming that FinCEN is not in agreement with the limited enforcement currently in place.

While the appeal is being determined in the Eleventh Circuit, additional cases have been brought in other jurisdictions. Most of these cases are pending the outcome of the appeal in the NSBA case. In addition to the lawsuits challenging the CTA, legislation was recently introduced by Senator Tommy Tuberville (R-AL) and Representative Warren Davidson (R-OH) to repeal the CTA, posing additional uncertainty to the fate of the CTA in the wake of the ruling in the NSBA case. There has been no legislative action on these bills since their introduction. The American Institute of Certified Public Accountants (AICPA) and many state CPA organizations have written to the Department of Treasury asking that enforcement of the CTA reporting requirements be suspended until one year after all the court cases have been resolved. The concern is that many small businesses will still potentially be caught off guard with the CTA reporting requirements based on the confusion surrounding the meaning of the court cases and the introduced legislation.

⚠️ Caution: Due to recent litigation, BOI reports are not currently required to be filed and are not subject to penalties for failure to file. However, reporting companies may continue to voluntarily submit BOI reports. Practitioners should continue to monitor the situation.

A Practitioner’s Liability

Due to the impact of BOI on many small and midsize businesses as well as sole practitioners, a client’s first thought might be to turn to their tax practitioner for advice on BOI reporting. Practitioners who decide not to provide BOI services could potentially face professional liability risk for a client’s noncompliance in certain situations. If a client is penalized for noncompliance, they may blame the practitioner for failing to advise them about the filing requirements. To help reduce this risk, consider sending a general client notice by letter or email alerting your clients to the BOI reporting requirements. Be sure to retain copies of the letter/emails and proof of distribution. If you plan not to provide CTA services,

state this in all engagement letters stating that CTA services will not be provided. A simple statement that BOI reporting is not within the scope of the engagement and that the client is responsible for compliance with the CTA including BOI reporting should suffice. Also, provide information regarding the BOI reporting requirements and a link to the FinCEN website for reference. Advise your clients to consult legal counsel regarding the applicability of the CTA to their business. If compelled to provide a high-level response of a general nature in response to a client question, be sure to follow up the advice with written documentation to the client advising them of the limitations of your advice and direct the client to retain a qualified professional for a more detailed response. Providing technical or interpretive advice on the CTA may rise to the practice of law. The “practice of law” is defined by the states, and many have an express prohibition against the unlicensed practice of law. Accountants have a limited grant to “interpret” tax law under Title 26 of the U.S. Code (the Internal Revenue Code) via Treasury Circular No. 230 and state accountancy statutes. It is unclear whether interpretation of CTA statutes, which are under Title 31 of the U.S. Code (Money and Finance) is similarly permissible. Depending on a client’s fact pattern, CTA compliance may require affected entities to obtain legal advice and analysis. If a non-attorney is determined to have practiced law without a license, this act would be excluded under their professional liability policy. Also, there could be the risk of aiding and abetting if the practitioner is accused of assisting a client who is found to have intentionally falsified reports. If you decide to provide services related to CTA compliance, understanding the risks is critical in understanding how to manage them. Careful planning and consistent application of risk mitigation strategies including a separate engagement letter that narrowly defines the scope of services is essential. Consultation with your legal counsel and professional liability insurance carrier is strongly recommended to help you understand your risks.



Additional Information

FinCEN issued an updated Version 1.1 of the Small Entity Compliance Guide for Beneficial Ownership Information Reporting Requirements. The Guide includes interactive flowcharts, checklists, and other aids to help determine whether a company needs to file a BOI report with FinCEN, and if so, how to comply with the reporting requirements. The Guide will be updated periodically with new or revised information.



Additional information about the Reporting Rule and guidance materials are available at www.fincen.gov/boi. FinCEN has issued and will continue to issue frequently asked questions to address specific questions on the topic. They can be found at: www.fincen.gov/boi-faqs. In addition, questions regarding BOI reporting obligations can be addressed through FinCEN at www.fincen.gov/contact. FinCEN has also created several informational videos that can be accessed at www.youtube.com/@fincentreasury.

TCJA Provisions Expiring—2026

Item	Current Law	Post-TCJA
Individual Provisions		
Standard Deduction	For 2024, \$14,600 (single and MFS), \$21,900 (HOH), and \$29,200 (MFJ)	\$6,500 (single and MFS), \$9,550 (HOH), and \$13,000 (MFJ), adjusted for inflation
Personal Exemption	Suspended	Reinstated (\$5,050, adjusted for inflation)
Alternative Minimum Tax (AMT)	For 2024— <ul style="list-style-type: none"> MFJ: \$133,300 exemption and \$1,218,700 phase-out threshold MFS: \$66,650 exemption and \$609,350 phase-out threshold Others: \$85,700 exemption and \$609,350 phase-out threshold 	<ul style="list-style-type: none"> MFJ: \$86,200 exemption and \$164,100 phase-out threshold MFS: \$43,100 exemption and \$82,050 phase-out threshold Others: \$55,400 exemption and \$123,100 phase-out threshold <i>*Will be adjusted for inflation</i>
Child Tax Credit	Up to \$2,000 per qualifying child with modified adjusted gross income (MAGI) phase-out thresholds of \$400,000 (MFJ) and \$200,000 (others)	Up to \$1,000 per qualifying child with MAGI phase-out thresholds of \$110,000 (MFJ), \$75,000 (single and HOH), and \$55,000 (MFS)
Credit For Other Dependents	\$500 nonrefundable credit for qualifying dependents	Eliminated
State and Local Tax Deduction	\$10,000 limit (\$5,000 for MFS) imposed on SALT deduction	Cap eliminated (but may be subject to Pease limitation)
Itemized Deduction Limitation	Suspended	Total itemized deductions (subject to some exceptions) reduced by 3% of the amount by which AGI exceeds a threshold amount
Miscellaneous Itemized Deductions	Suspended	Can be claimed, subject to the 2% floor
Mortgage Interest Deduction	Limited to interest on \$750,000 of acquisition debt (\$375,000 if MFS); no deduction for interest on home equity debt unless proceeds used to buy, build, or substantially improve the home	Debt limitation increases to \$1 million; interest deductible on up to \$100,000 of home equity debt (regardless of how proceeds are used)
Cash Charitable Contributions	AGI limitation is 60%	Limitation will decrease to 50%
Moving Expense Reimbursement Exclusion	Reimbursement included in taxable income (other than for U.S. Armed Forces members on active duty)	Excluded from gross income
Moving Expense Deduction	Not available; however, there are special rules for members of the U.S. Armed Forces and their families	Above-the-line deduction available if specific distance and employment status requirements are met
Personal Casualty and Theft Losses	Only available for losses incurred in a federally declared disaster	Available for any loss that is not compensated by insurance (subject to certain limitations)
Wagering Losses	Deductible to the extent of wagering gains; losses include deductible expenses incurred in carrying out wagering transactions	Losses no longer include expenses incurred in carrying out wagering transactions; professional gamblers can deduct ordinary and necessary nonwagering business expenses in excess of wagering gains
Individual Income Tax Rates and Brackets	<div>10% \$0–\$23,200</div> <div>12% \$23,201–\$94,300</div> <div>22% \$94,301–\$201,050</div> <div>24% \$201,051–\$383,900</div> <div>32% \$383,901–\$487,450</div> <div>35% \$487,451–\$731,200</div> <div>37% Over \$731,200</div>	<div>10% \$0–\$11,550</div> <div>15% \$11,551–\$47,050</div> <div>25% \$47,051–\$113,950</div> <div>28% \$113,951–\$237,650</div> <div>33% \$237,651–\$516,750</div> <div>35% \$516,751–\$518,850</div> <div>39.6% Over \$518,850</div>
Estate Provisions		
Basic exclusion amount	\$10 million per individual, indexed for inflation (\$13.61 million for 2024)	\$5 million per individual, indexed for inflation (estimated to be around \$7 million for 2026)
Businesses Provisions		
Qualified business income deduction	Ability to deduct up to 20% of qualified business income (QBI), subject to various limitations	Eliminated
Excess business loss limitation	Excess business losses of a taxpayer other than a C corporation are not allowed; threshold amounts for 2024 are \$610,000 (MFJ) and \$305,000 (others) <i>*Was modified by the Inflation Reduction Act of 2022</i>	Eliminated for tax years beginning after 2028
Food and beverages provided by employers	50% deduction for food and beverages provided in an employer-operated eating facility or for the convenience of the employer	No longer deductible
Bonus depreciation	<ul style="list-style-type: none"> 100% through 2022 80% for 2023 60% for 2024 40% for 2025 20% for 2026 	Eliminated for property acquired and placed in service after 2026 (after 2027 for certain longer-lived and transportation property)
Amortization of research expenses	Prior to 2022, research expenses were deductible	For tax years beginning after 2021 and beyond, research expenses are capitalized and amortized over five years (15 years for foreign expenditures)
Qualified opportunity funds	A taxpayer with an eligible gain can invest that gain into a qualified opportunity fund (QOF) and elect to defer part or all the gain that is otherwise includible in income	No further gain deferral is available after 2026; no exclusion available for five or seven-year investments that have not reached that mark by 12/31/26