

Tax-Aide NTTC Workbook Tax Year 2017 Notes and Errata – Rel. 3

This document contains corrections and clarifying notes for the Tax-Aide NTTC 2017 Workbook and should be provided to all volunteers using the Workbook. New items in this release are highlighted. Please send any questions or comments to the NTTC via OneSupport.

As always, thank you for your continued commitment to, and support of, Tax-Aide!

National Tax Training Committee

Page	What	Instructor Notes/Errata
--	Sales tax deduction	When using the Practice Lab sales tax deduction calculator for 2016, be sure to use 366 days (not 365) or the result will vary by up to \$2 from the published answers.
31	Typo	The name on the social security card should be Marie, not Maire.
38	Clarify education expenses	The \$2,000 books and fees paid by John and Elizabeth is included in the box 1 of Form 1098-T on page 40.
48	Clarify mother's residence	During the interview, you determine that Gail erred on the intake form. Grace lives in another state as per the interview notes.
53	Correct SSN	Gail's SSN is 021-xx-xxxx. This can be used as a training opportunity to advise Gail to get a corrected form from her employer.
88	Wells' intake form	Use this as a teaching point: James checked that he got married during the tax year. Obviously, not right. The students should practice marking up the intake sheet as needed.
93	Clarify SS benefits	The amounts provided at the bottom of the page are the Modified AGI amounts and the taxable Social Security benefits for each of the preceding years.
119	Correct the name	In 2017, Andrew (not John) had a family coverage High Deductible Health Plan...
129	Clarify Sadie's situation	Sadie is totally and permanently disabled and she needs help caring for herself.

Page	What	Instructor Notes/Errata
144	Missing text (can print and tape on page 145)	<p>Add before the Merrill Lynch 1099-R: Xuan confirms that she was the sole beneficiary of York's IRA, which is now hers and in her name. She got the following form for the rollover to her name. The December 31, 2017 value of that IRA was \$17,765. She doesn't think she needs to pay tax on it since she did not get any money out. Xuan asks if she gets to keep York's basis and how will that work since she has more than one IRA now.</p> <p>She took out a small distribution from her old IRA on January 27, 2017 to help pay York's funeral expenses and has a 1099-R for that. Xuan's old traditional IRA was a rollover from a prior employer's 401(k) plan and had a value of \$24,786 on December 31, 2017. She asks to confirm that she doesn't have a penalty this year for the distribution.</p>
146	Royalty expense	Deductions on Schedule E, including percentage depletion, will continue to be out of scope for 2017. Xuan is willing to file her return without the \$9 percentage depletion deduction so that she can get her return prepared by Tax-Aide (note: increasing the optimum deductible IRA contribution by \$9 offsets the loss of the depletion deduction).