

MA RESIDENT QUICK REFERENCE

MA Manual Adjustments	Ref	Amount	Enter Here in TaxSlayer
Enter Sum of all Pensions that are tax-exempt in MA (including RR Tier II)	A		Income Subject to Tax
	Subtotal		Exempt Pensions and Annuities Enter as a negative number
Enter Interest and Dividends not taxed in MA (e.g. savings bonds and MA Municipal bond interest)	B		Income Subject to Tax
	Subtotal		Schedule B Include amount and description
Deductible amount of qualified contributory pension from another state. See MA Resource Guide Appendix A to determine deductible amount.	C		Deductions
	Subtotal		Enter the deductible amount of qualified contributory pension income from another state or political subdivision included in income
Bank Interest from MA banks - Bank must have a physical presence in MA	D		Additions to Income
	Subtotal		Enter interest income included on your return received from Massachusetts banks
Mandatory Pension Contributions to MA Retirement Systems. Found in W-2 Box 14 usually labeled RET or RETR.	E		Deductions
	Subtotal		Enter amount to adjust your retirement deduction; but not more than \$2000
Enter the difference between the gross pension and IRA distributions (Fed 15a and 15b) and the taxable pension and IRA distributions (Fed 16b plus MA Sch X Line 2). (Need until TSO fixes the problem).	Fed 15a	+	Credits Circuit Breaker Credit Amounts subtracted as Exempt Pensions are automatically added to the Schedule CB. Enter any additional additions/subtractions to Pensions and Annuities Not Taxed in MA. Enter as a positive number.
	Fed 16a	+	
	Fed 16b	-	
	MA Sch X Line 2	-	
	Subtotal	=	

MA Unique Deductions			
Child under 13 or disabled adult/spouse care expenses (Only if they exceed \$3600) Line 12	F		Other Deductions
Enter total rent paid (Line 14)	G		Other Deductions
College Tuition Deduction (Sch Y Line 11)	H		Other Deductions
Enter the amount of student loan interest that is for undergraduate studies that exceeds the Federal Limit of \$2500. (Schedule Y, line 12)	I		Deductions
Commuter Deduction (Schedule Y Line 15)	J		Deductions
Certain Gambling Losses (Plainridge Only) (Schedule Y Line 17)	K		Deductions
Prepaid Tuition (Schedule Y Line 18)	L		Deductions

Important Questions to ask taxpayer in order to complete Basic Information Screen

Did your name and/or address change from a prior year tax return?

Are you a Custodial Parent and have you released your claim to one or more dependent exemptions on IRS Form 8332, or participated in a decree or agreement to allow the noncustodial parent to claim a dependency exemption?

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For the current tax year, if the taxpayer gets a MA refund, itemizes deductions and deducts state income taxes in lieu of state sales taxes paid, enter the calculated sales tax deduction here as memo information as this number will be needed next year when calculating the taxability of the MA refund. Calculated MA sales tax amount: _____

Taxable IRA Distribution Worksheet (from MA Form 1 Instructions)

	TAXPAYER	SPOUSE
1. Total IRA/Keogh plan distributions, QCD IRA distributions, Roth IRA distributions received during the current tax year.		
2. Total Contributions previously taxed by MA.		
3. Total Distributions received in previous years.		
4. Subtract line 3 from line 2. If line 3 is larger than line 2, enter "0".		
5. Subtract line 4 from line 1 and enter the result here. Not less than "0".		
6. Total Qualified Charitable Distribution (QCD) IRA distribution in the current tax year included in Line 1.		
7. Taxable IRA/Keogh distributions or Roth IRA conversion distributions. Subtract Line 6 from 5. Goes to Schedule X Line 2.		

Enter Lines 2, 3, and 6 into TSO: **Additions to Income/Taxable IRA/Keogh and Roth IRA Conversion Distributions Worksheet.**

NOTE: TSO describes Line 3 as "Total Contributions Received in Previous Years". This should say "Total Distributions received in previous Years".

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Miscellaneous Information Regarding How TSO handles Federal to MA Resident Transactions	
	Brings sum of Taxable and Tax-Exempt Interest to MA Schedule B.
	Brings Savings Bond interest Adj from 1099-INT if State entered is MA to Schedule B.
	Does NOT bring Taxable State Interest from Exempt Interest Screen. Assumes all Exempt Interest is MA taxable.
	Brings Ordinary Dividends to Schedule B
	Capital Gains go to Schedule D
	Alimony, IRA, and Line 21 go to Schedule X except MA Lottery
	MA Lottery goes to Form 1 page 2 Line 8b
	State Tax Refund and Taxable Social Security Benefits are NOT taxable in MA.
	All other income items go to Form 1 page 2
REF	EXPLANATION
A	What pensions are exempt? Pensions received from Massachusetts municipal or State entities (Massachusetts State Retirement, Massachusetts Teachers Retirement) as well as Federal sources (typically from Office of Personnel Management - OPM – or Defense Finance and Accounting Service – DFAS) are TAX-EXEMPT in Massachusetts. See table in Appendix A, titled Retirement Plan Contributions and Distributions, for specific pensions. Pensions for MBTA retirees are paid by State Street, not by one of the Commonwealth's Retirement Commissions. They can be identified as the second payer name line includes "MBTA Retirement" but are easily mistaken for a non-Mass municipal pension distribution. In addition, some US State Department pensions are paid by a proprietary entity. Ask the Taxpayer for clarification as to the source of the pension when in doubt.
B	Enter interest received on U.S. Treasury bills, notes and bonds, savings bonds or other obligations of the United States, including its territories or dependencies. Plus any interest or dividends from obligations of the Commonwealth of Massachusetts or its political subdivisions held.
C	Deductible amount of qualified contributory pension from another state. See MA Resource Guide Appendix A to determine deductible amount.
D	MA allows an exemption of \$200 if MFJ otherwise \$100 for interest received or credited to deposit accounts (term and time deposits, including certificates of deposit, savings accounts, savings shares, and NOW accounts) in Massachusetts banks.
E	MA allows a deduction for amounts paid to Social Security (FICA), Medicare or Railroad Retirement and the U.S. or Massachusetts retirement systems as shown on your Form W-2, but not more than \$2,000 each for taxpayer and spouse.
	CIRCUIT BREAKER ADJUSTMENT - TSO does not calculate the correct total income for CB Credit. Once this is fixed, this adjustment will go away. Deduct MA Taxable IRA (Sch X Line 2) as this amount may differ from Federal IRA taxable.
F	Massachusetts allows taxpayers to exceed the federal limit on employment-related expenses for the care of a qualified child under the age of 13, a disabled dependent or a disabled spouse. The maximum deduction is \$4,800 for one qualifying individual, and \$9,600 for two or more qualifying individuals. If the amount of child care is less than \$3600 per qualifying individual, then the reduction of \$3600 will be on line 13.
G	MA Residents may be entitled to a rental deduction equal to one-half (50%) of the rent paid (up to a maximum of \$3,000 per return) for your principal residence in Massachusetts.
H	A deduction is allowed for tuition payments paid by you, for yourself or a dependent, to a qualifying two- or four-year college leading to an undergraduate or associate's degree, diploma or certificate. Tuition payments for students pursuing graduate degrees at such a college or university are not eligible for the college tuition deduction. The deduction is equal to the amount by which the tuition payments, less any scholarships, grants or financial aid received, exceed 25% of Massachusetts AGI.
I	A deduction is allowed for interest paid on a qualified undergraduate student loan to the extent that it exceeds the federal limit of \$2500 claimed on Schedule Y Line 10.
J	A deduction is allowed for certain amounts paid by an individual for tolls paid for through an E-ZPass account or for weekly or monthly transit commuter passes for MBTA transit, bus, commuter rail or commuter boat, not including amounts reimbursed or otherwise deductible.
K	A taxpayer may claim a deduction for gambling losses incurred in a calendar year only if the losses were incurred at Plainridge Casino. The deduction allowed for such losses may not exceed the amount of such winnings included in gross income for the calendar year. Does not include lottery ticket losses!
L	A deduction is available for purchases of or contributions made to an account in a pre-paid tuition program or a college savings program established by the Commonwealth. The deduction is capped at \$1,000 for a single person or head of household and \$2,000 for a married couple filing a joint return.