

Addendum: Tax Season Updates

Revision [1.1]

The reference A is incorrect.

Page 4

Variation C is the custodial parent of A's child from the previous example. In 2020, C received an EIP3 of \$2,800 (\$1,400 for themselves and \$1,400 for the child). When filing the 2021, C will report receiving \$2,800. What happens? Does C have to pay it back?

Date of revision: 10/19/2021

Revision [2.1]

To clarify royalties and rental income from personal property.

Page 21

Under investment income it includes the following, "Royalties and rental income from personal property," this should be changed to read "Royalties and rental income (not used in a trade or business)."

Page 33

Review Question #2, Item D should be changed to read "Rental income (not used in a trade or business)."

Page 34

Review Answer #2, Item D should be changed to read "Investment income includes rental income (not used in a trade or business)."

Date of revision: 10/25/2021

Revision [3.1]

Form 1041 deductions, lines 21-23 are incorrect.

Page 439

Line 21 Exemption should be \$600, Line 22 should be \$16,478 and Line 23 should be \$400.

Deductions	10	Interest. Check if Form 4952 is attached <input type="checkbox"/>	10	
	11	Taxes	11	
	12	Fiduciary fees. If only a portion is deductible under section 67(e), see instructions	12	2,875
	13	Charitable deduction (from Schedule A, line 7)	13	
	14	Attorney, accountant, and return preparer fees. If only a portion is deductible under section 67(e), see instructions	14	1,150
	15a	Other deductions (attach schedule). See instructions for deductions allowable under section 67(e)	15a	397
	b	Net operating loss deduction. See instructions	15b	
	16	Add lines 10 through 15b	16	4,422
	17	Adjusted total income or (loss). Subtract line 16 from line 9	17	16,878
	18	Income distribution deduction (from Schedule B, line 15). Attach Schedules K-1 (Form 1041)	18	15,878
	19	Estate tax deduction including certain generation-skipping taxes (attach computation)	19	
	20	Qualified business income deduction. Attach Form 8995 or 8995-A	20	
	21	Exemption	21	600
22	Add lines 18 through 21	22	16,478	
23	Taxable income. Subtract line 22 from line 17. If a loss, see instructions	23	400	

Date of revision: 10/28/2021



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Revision [4.1]

In the chart on Page 385, in the column “After death – year of death,” Form W-2, Box 1 is incorrect.

Page 385

In the chart on Page 385, the column “After death – year of death,” should be Form W-2 with no box reference.

	Before death	After death – year of death		After death – year after death
Income subject to:	Form W-2, Box 1	Form W-2	Form 1099-MISC, Box 3	Form 1099-MISC, Box 3
FUTA	Yes	Yes	Yes	No
FICA	Yes	Yes	No	No
FITW	Yes	No	No	No

Date of revision: 11.10.2021



Revision [5.1]

Summary of the tax provisions in the Infrastructure Investment and Jobs Act (IIJA).

On Nov. 5, 2021, the House of Representatives passed the *Infrastructure Investment and Jobs Act* (IIJA), which the President signed into law on Monday Nov. 15, 2021. In general, this legislation authorizes funds for federal-aid highways, highway safety programs and transit programs, and for several other purposes, but it also contains the following key tax provisions.

- Retroactively terminates the employee retention credit (ERC) after Sept. 30, 2021, for most businesses other than a recovery startup business, which may continue to claim the ERC through Dec. 31, 2021 (ERC is covered on Pages 240-244)
- Adds new information reporting requirements for brokers and digital assets (including cryptocurrency), which take effect after Dec. 31, 2023 (Cryptocurrency is covered on Pages 110-125)
- Modifies the automatic extension of certain tax deadlines for taxpayers affected by federally declared disasters (Federally declared disasters are covered on Pages 107-110)
- Modifies the rules for postponing certain acts for service in a combat zone (Amending returns for combat zones are covered on Pages 161-162)
- Authorizes the IRS to postpone certain tax deadlines due to significant fires

For more detailed tax information, a summary of the IIJA will be posted on NATP's website under Tax Act Summaries.

Date of revision: 11.11.2021