

Addendum: 2023 Introduction to Individual Tax Preparation

Revision 1

Page 257

Replace:

MFJ - \$362,200

With:

MFJ - \$364,200

The deduction for taxpayers who are in a specified service trades or businesses (SSTB), such as health care professionals, law, accounting, actuarial science, performing artists, consulting, athletics, financial services, brokerage services, or any trade or business whose principal asset is the reputation or skill of one or more of its employees, starts to phase out when taxable income for 2023 exceeds:

- MFJ - \$364,200
- S, HOH, QSS, MFS - \$182,100

Date of revision: 09-12-23

Revision 2

Page 51

Insert “Form 1040,” in front of Line 1a.

For example, Form W-2, *Wage and Tax Statement*, Form 1040, Line 1a, or on Schedule C (Form 1040), *Profit or Loss From Business*, for inventory or services.

Taxpayers receiving digital assets as compensation for services or disposed of any digital assets held for sale to customers in a trade or business must report the income as they would other income of the same type. For example, Form W-2, *Wage and Tax Statement*, Form 1040, Line 1a, or on Schedule C (Form 1040), *Profit or Loss From Business*, for inventory or services.

Date of revision: 09-12-23

Revision 3

Page 169

Replace \$8,050 with \$8,300.

The contribution limit is \$4,150 (2024) and \$3,850 (2023) for self-only HDHP coverage and \$8,300 (2024) and \$7,750 (2023) for family HDHP coverage.

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Date of revision: 09-12-23

Revision 4

Page 166 and 168

The following information should be on page 166 versus page 168 of the text.

Qualified expenses do not include expenses for home schooling or for nonathletic supplies for courses in health or physical education.

Reduce qualified expenses by:

- Excludable U.S. series EE and I savings bond interest from Form 8815, *Exclusion of Interest From Series EE and I U.S. Savings Bonds Issued After 1989*
- Nontaxable QTP earnings or distributions
- Any nontaxable distribution of ESA earnings
- Any reimbursements for the expenses that weren't reported on Form W-2, Box 1

- The purchase of any computer technology or equipment, or internet access and related services, if the beneficiary and the beneficiary's family use such technology, equipment or services during any of the years the beneficiary is in elementary or secondary school

Qualified expenses do not include expenses for home schooling or for nonathletic supplies for courses in health or physical education.

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- Excludable U.S. series EE and I savings bond interest from Form 8815, *Exclusion of Interest From Series EE and I U.S. Savings Bonds Issued After 1989*
- Nontaxable QTP earnings or distributions
- Any nontaxable distribution of ESA earnings
- Any reimbursements for the expenses that weren't reported on Form W-2, Box 1

Refer to Pub. 970, *Tax Benefits for Education*, to compute the taxable amount.

Date of revision: 10-03-23

Revision 5

Page 263 and 267

Replace \$13,950 with \$13,050

The correct response is D, However the calculation should be (\$13,050-\$12,950)

D. **Correct.** To determine the benefit from the prior deduction, subtract the standard deduction for the year of the deduction from the amount of itemized deductions from the year of deduction (\$13,050 - \$12,950 = \$100).

1. _____ Chris, a single taxpayer, claimed \$13,050 of itemized deductions on her tax return in 2022, which included \$450 of state income tax withholding. She received a refund from the state of \$700. The standard deduction amount for 2022 was \$12,950 for a single taxpayer. How much of her refund is includable in income in 2023?

D. **Correct.** To determine the benefit from the prior deduction, subtract the standard deduction for the year of the deduction from the amount of itemized deductions from the year of deduction (\$13,050 - \$12,950 = \$100).

[Refunds, credits or offsets]

Date of revision: 10-25-23