



# Welcome To 2022 Tax Law Changes

# Agenda/Goals

- Review Changes to 1040 & Schedules 1, 2 & 3
- Review Tax Law Changes for 2022
  1. New provisions in 2022
  2. 2020-2021 changes that have been extended or modified in 2022
  3. Tax Items that are eliminated in 2022
- Provide Overview of Inflation Reduction Act





# 2022 Tax Law Changes

Form 1040 and Schedules 1, 2 & 3

# 1040 (Page 1) Comparison 2021 vs. 2022

**Form 1040** Department of the Treasury—Internal Revenue Service (99) **2021** OMB No. 1545-0074 IRS Use Only—Do not write on this form.

**Filing Status**  Single  Married filing jointly  Married filing separately (MFS)  Head of household (HOH)  Qualifying surviving spouse (QSS)  
 Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent. ▶

Your first name and middle initial \_\_\_\_\_ Last name \_\_\_\_\_ Your social security number \_\_\_\_\_  
 If joint return, spouse's first name and middle initial \_\_\_\_\_ Last name \_\_\_\_\_ Spouse's social security number \_\_\_\_\_

Home address (number and street). If you have a P.O. box, see instructions. Apt. no. \_\_\_\_\_  
 City, town, or post office. If you have a foreign address, also complete spaces below. State \_\_\_\_\_ ZIP code \_\_\_\_\_  
 Foreign country name \_\_\_\_\_ Foreign province/state/country \_\_\_\_\_ Foreign postal code \_\_\_\_\_

At any time during 2021, did you receive, sell, exchange, or otherwise dispose of any financial interest in any virtual currency?

**Standard Deduction** Someone can claim:  You as a dependent  Your spouse as a dependent  Spouse itemizes on a separate return or you were a dual-status alien

**Age/Blindness** You:  Were born before January 2, 1957  Are blind Spouse:  Was born before January 2, 1957  Is blind

| Dependents (see instructions):<br>If more than four dependents, see instructions and check here ▶ <input type="checkbox"/> | (1) First name |  | (2) Social security number | (3) Relationship to you | (4) <input checked="" type="checkbox"/> if qualifies for Child tax credit | Credit for other dependents |
|--|----------------|--|----------------------------|-------------------------|---|-----------------------------|
|  | Last name      |  |                            |                         |   |                             |
|  |                |  |                            |                         | <input type="checkbox"/>  | <input type="checkbox"/>    |
|  |                |  |                            |                         | <input type="checkbox"/>  | <input type="checkbox"/>    |
|  |                |  |                            |                         | <input type="checkbox"/>  | <input type="checkbox"/>    |
|  |                |  |                            |                         | <input type="checkbox"/>  | <input type="checkbox"/>    |

|   |  |                  |
|---|--|------------------|
| Attach Sch. B if required.  | <b>1</b> Wages, salaries, tips, etc. Attach Form(s) W-2  | <b>1</b>         |
|   | <b>2a</b> Tax-exempt interest  | <b>2a</b> _____  |
|   | <b>3a</b> Qualified dividends  | <b>3a</b> _____  |
|   | <b>4a</b> IRA distributions  | <b>4a</b> _____  |
|   | <b>5a</b> Pensions and annuities   | <b>5a</b> _____  |
|   | <b>6a</b> Social security benefits   | <b>6a</b> _____  |
| Standard Deduction for—<br>• Single or Married filing separately, \$12,500<br>• Married filing jointly or Qualifying widow(er), \$25,000<br>• Head of household, \$18,800<br>• If you checked any box under Standard Deduction, see instructions. | <b>7</b> Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/> | <b>7</b>         |
|   | <b>8</b> Other income from Schedule 1, line 10   | <b>8</b>         |
|   | <b>9</b> Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your <b>total income</b>                                 | <b>9</b>         |
|   | <b>10</b> Adjustments to income from Schedule 1, line 26   | <b>10</b>        |
|   | <b>11</b> Subtract line 10 from line 9. This is your <b>adjusted gross income</b>                                    | <b>11</b>        |
|   | <b>12a</b> Standard deduction or itemized deductions (from Schedule A)   | <b>12a</b> _____ |
|   | <b>b</b> Charitable contributions if you take the standard deduction (see instructions)                              | <b>12b</b> _____ |
|   | <b>c</b> Add lines 12a and 12b   | <b>12</b>        |
|   | <b>13</b> Qualified business income deduction from Form 8995 or Form 8995-A  | <b>13</b>        |
|   | <b>14</b> Add lines 12c and 13   | <b>14</b>        |
|   | <b>15</b> Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-                                  | <b>15</b>        |

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At any time during 2022, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, gift, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.)  Yes  No

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**Age/Blindness** You:  Were born before January 2, 1958  Are blind Spouse:  Was born before January 2, 1958  Is blind

| Dependents (see instructions):<br>If more than four dependents, see instructions and check here ▶ <input type="checkbox"/> | (1) First name |  | (2) Social security number | (3) Relationship to you | (4) Check the box if qualifies for (see instructions):<br>Child tax credit | Credit for other dependents |
|--|----------------|--|----------------------------|-------------------------|--|-----------------------------|
|  | Last name      |  |                            |                         |  |                             |
|  |                |  |                            |                         | <input type="checkbox"/>   | <input type="checkbox"/>    |
|  |                |  |                            |                         | <input type="checkbox"/>   | <input type="checkbox"/>    |
|  |                |  |                            |                         | <input type="checkbox"/>   | <input type="checkbox"/>    |
|  |                |  |                            |                         | <input type="checkbox"/>   | <input type="checkbox"/>    |

|  |  |                               |
|--|--|-------------------------------|
| Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld. If you did not get a Form W-2, see instructions. | <b>1a</b> Total amount from Form(s) W-2, box 1 (see instructions)                | <b>1a</b>                     |
|  | <b>b</b> Household employee wages not reported on Form(s) W-2                    | <b>1b</b>                     |
|  | <b>c</b> Tip income not reported on line 1a (see instructions)                   | <b>1c</b>                     |
|  | <b>d</b> Medicaid waiver payments not reported on Form(s) W-2 (see instructions) | <b>1d</b>                     |
|  | <b>e</b> Taxable dependent care benefits from Form 2441, line 26                 | <b>1e</b>                     |
|  | <b>f</b> Employer-provided adoption benefits from Form 8839, line 29             | <b>1f</b>                     |
|  | <b>g</b> Wages from Form 8919, line 6  | <b>1g</b>                     |
|  | <b>h</b> Other earned income (see instructions)                                  | <b>1h</b>                     |
|  | <b>i</b> Nontaxable combat pay election (see instructions)                       | <b>1i</b>                     |
|  | <b>z</b> Add lines 1a through 1h   | <b>1z</b>                     |
|  | Attach Sch. B if required.   | <b>2a</b> Tax-exempt interest |
| <b>3a</b> Qualified dividends  |  | <b>3a</b> _____               |
| <b>4a</b> IRA distributions  |  | <b>4a</b> _____               |
| <b>5a</b> Pensions and annuities   |  | <b>5a</b> _____               |
| <b>6a</b> Social security benefits   |  | <b>6a</b> _____               |
| <b>c</b> If you elect to use the lump-sum election method, check here (see instructions) <input type="checkbox"/>                |  | <b>7</b>                      |
| <b>7</b> Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>             |  | <b>7</b>                      |
| <b>8</b> Other income from Schedule 1, line 10   |  | <b>8</b>                      |
| <b>9</b> Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your <b>total income</b>  |  | <b>9</b>                      |
| <b>10</b> Adjustments to income from Schedule 1, line 26   |  | <b>10</b>                     |
| <b>11</b> Subtract line 10 from line 9. This is your <b>adjusted gross income</b>  |  | <b>11</b>                     |
| <b>12</b> Standard deduction or itemized deductions (from Schedule A)  |  | <b>12</b>                     |
| <b>13</b> Qualified business income deduction from Form 8995 or Form 8995-A  |  | <b>13</b>                     |
| <b>14</b> Add lines 12 and 13  |  | <b>14</b>                     |
| <b>15</b> Subtract line 14 from line 11. If zero or less, enter -0-. This is your <b>taxable income</b>                          |  | <b>15</b>                     |

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Your first name and middle initial \_\_\_\_\_ Last name \_\_\_\_\_ Your social security number \_\_\_\_\_  
If joint return, spouse's first name and middle initial \_\_\_\_\_ Last name \_\_\_\_\_ Spouse's social security number \_\_\_\_\_

Home address (number and street). If you have a P.O. box, see instructions. Apt. no. \_\_\_\_\_  
City, town, or post office. If you have a foreign address, also complete spaces below. State \_\_\_\_\_ ZIP code \_\_\_\_\_  
Foreign country name \_\_\_\_\_ Foreign province/state/country \_\_\_\_\_ Foreign postal code \_\_\_\_\_

At any time during 2021, did you receive, sell, exchange, or otherwise dispose of any financial interest in any virtual currency?

**Standard Deduction** Someone can claim:  You as a dependent  Your spouse as a dependent  Spouse itemizes on a separate return or you were a dual-status alien

**Age/Blindness** You:  Were born before January 2, 1957  Are blind  Spouse:  Was born before January 2, 1957  Is blind

| Dependents (see instructions): |           | (2) Social security number | (3) Relationship to you | (4) <input checked="" type="checkbox"/> if qualifies for Child tax credit |
|--------------------------------|-----------|----------------------------|-------------------------|---|
| (1) First name                 | Last name |                            |                         |   |
|                                |           |                            |                         | <input type="checkbox"/>  |

|   |  |            |
|---|--|------------|
| Attach Sch. B if required.  | <b>1</b> Wages, salaries, tips, etc. Attach Form(s) W-2  | <b>1</b>   |
|   | <b>2a</b> Tax-exempt interest  | <b>2a</b>  |
|   | <b>3a</b> Qualified dividends  | <b>3a</b>  |
|   | <b>4a</b> IRA distributions  | <b>4a</b>  |
|   | <b>5a</b> Pensions and annuities   | <b>5a</b>  |
|   | <b>6a</b> Social security benefits   | <b>6a</b>  |
| Standard Deduction for—<br>• Single or Married filing separately, \$12,500<br>• Married filing jointly or Qualifying widow(er), \$25,000<br>• Head of household, \$18,800<br>• If you checked any box under Standard Deduction, see instructions. | <b>7</b> Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/> | <b>7</b>   |
|   | <b>8</b> Other income from Schedule 1, line 10   | <b>8</b>   |
|   | <b>9</b> Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your <b>total income</b>                                 | <b>9</b>   |
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|   | <b>11</b> Subtract line 10 from line 9. This is your <b>adjusted gross income</b>                                    | <b>11</b>  |
|   | <b>12a</b> Standard deduction or itemized deductions (from Schedule A)   | <b>12a</b> |
|   | <b>b</b> Charitable contributions if you take the standard deduction (see instructions)                              | <b>12b</b> |
|   | <b>c</b> Add lines 12a and 12b   | <b>12</b>  |
|   | <b>13</b> Qualified business income deduction from Form 8995 or Form 8995-A  | <b>13</b>  |
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Qualifying Widow is now "Qualifying Surviving Spouse"

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If joint return, spouse's first name and middle initial \_\_\_\_\_ Last name \_\_\_\_\_ Spouse's social security number \_\_\_\_\_

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At any time during 2022, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, gift, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.)  Yes  No

**Standard Deduction** Someone can claim:  You as a dependent  Your spouse as a dependent  Spouse itemizes on a separate return or you were a dual-status alien

**Age/Blindness** You:  Were born before January 2, 1958  Are blind  Spouse:  Was born before January 2, 1958  Is blind

| Dependents (see instructions): |           | (2) Social security number | (3) Relationship to you | (4) Check the box if qualifies for (see instructions): |
|--------------------------------|-----------|----------------------------|-------------------------|--|
| (1) First name                 | Last name |                            |                         | Child tax credit                                       |
|                                |           |                            |                         | <input type="checkbox"/>                               |

|  |  |                               |
|--|--|-------------------------------|
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|  | <b>c</b> Tip income not reported on line 1a (see instructions)                   | <b>1c</b>                     |
|  | <b>d</b> Medicaid waiver payments not reported on Form(s) W-2 (see instructions) | <b>1d</b>                     |
|  | <b>e</b> Taxable dependent care benefits from Form 2441, line 26                 | <b>1e</b>                     |
|  | <b>f</b> Employer-provided adoption benefits from Form 8839, line 29             | <b>1f</b>                     |
|  | <b>g</b> Wages from Form 8919, line 6  | <b>1g</b>                     |
|  | <b>h</b> Other earned income (see instructions)                                  | <b>1h</b>                     |
|  | <b>i</b> Nontaxable combat pay election (see instructions)                       | <b>1i</b>                     |
|  | <b>z</b> Add lines 1a through 1h   | <b>1z</b>                     |
|  | Attach Sch. B if required.   | <b>2a</b> Tax-exempt interest |
| <b>3a</b> Qualified dividends  |  | <b>3a</b>                     |
| <b>4a</b> IRA distributions  |  | <b>4a</b>                     |
| <b>5a</b> Pensions and annuities   |  | <b>5a</b>                     |
| <b>6a</b> Social security benefits   |  | <b>6a</b>                     |
| <b>c</b> If you elect to use the lump-sum election method, check here (see instructions) <input type="checkbox"/>                |  | <b>7</b>                      |
| <b>7</b> Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>             |  | <b>7</b>                      |
| <b>8</b> Other income from Schedule 1, line 10   |  | <b>8</b>                      |
| <b>9</b> Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your <b>total income</b>  |  | <b>9</b>                      |
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| <b>11</b> Subtract line 10 from line 9. This is your <b>adjusted gross income</b>  |  | <b>11</b>                     |
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|   |  |            |
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Virtual  
Currency  
Question is  
now the Digital  
Assets  
Question

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**Deduction**  Spouse itemizes on a separate return or you were a dual-status alien

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|--------------------------------|-----------|----------------------------|-------------------------|--|
| (1) First name                 | Last name |                            |                         | Child tax credit                                       |
|                                |           |                            |                         | <input type="checkbox"/>                               |

|  |  |           |
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|  | <b>f</b> Employer-provided adoption benefits from Form 8839, line 29             | <b>1f</b> |
|  | <b>g</b> Wages from Form 8919, line 6  | <b>1g</b> |
|  | <b>h</b> Other earned income (see instructions)                                  | <b>1h</b> |
|  | <b>i</b> Nontaxable combat pay election (see instructions)                       | <b>1i</b> |
|  | <b>z</b> Add lines 1a through 1h   | <b>1z</b> |
|  | <b>2a</b> Tax-exempt interest  | <b>2a</b> |
| <b>3a</b> Qualified dividends  | <b>3a</b>  |           |
| <b>4a</b> IRA distributions  | <b>4a</b>  |           |
| <b>5a</b> Pensions and annuities   | <b>5a</b>  |           |
| <b>6a</b> Social security benefits   | <b>6a</b>  |           |
| <b>c</b> If you elect to use the lump-sum election method, check here (see instructions)   | <input type="checkbox"/>   |           |
| <b>7</b> Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>             | <b>7</b>   |           |
| <b>8</b> Other income from Schedule 1, line 10   | <b>8</b>   |           |
| <b>9</b> Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your <b>total income</b>  | <b>9</b>   |           |
| <b>10</b> Adjustments to income from Schedule 1, line 26   | <b>10</b>  |           |
| <b>11</b> Subtract line 10 from line 9. This is your <b>adjusted gross income</b>  | <b>11</b>  |           |
| <b>12</b> Standard deduction or itemized deductions (from Schedule A)  | <b>12</b>  |           |
| <b>13</b> Qualified business income deduction from Form 8995 or Form 8995-A  | <b>13</b>  |           |
| <b>14</b> Add lines 12 and 13  | <b>14</b>  |           |
| <b>15</b> Subtract line 14 from line 11. If zero or less, enter -0-. This is your <b>taxable income</b>                          | <b>15</b>  |           |

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.

# Changes to the Virtual Currency Question

**2021** – “At any time during 2021, did you receive, sell, exchange, or otherwise dispose of any financial interest in any **virtual currency**?”

**2022** – At any time during 2022, did you (a) receive (**as a reward, award, or compensation**); or (b) sell, exchange, gift, or otherwise dispose of a **digital asset** (or financial interest in a **digital asset**)?

- Digital Assets & Virtual Currency are significant concerns for the IRS!



# Digital Assets

**What is the Definition of a “Digital Asset”** – A digital representation of value that functions as a medium of exchange, a unit of account, and/or a store of value.

Types of Digital Assets are:

- **Virtual Currency** (Bitcoin, Ethereum, etc.)
- **Non-Cryptographic Currency** – gaming tokens
- **Non-Currency Digital Assets** – photos, emojis, memes



# Tax Treatment of Digital Assets

**Taxed as property – Not as currency** (No Mark to Market), which means:

- Basis is established when acquired with fiat currency (dollars, euros, etc.)
- Some type of income (loss) is recognized when virtual currency is **sold, exchanged or used as payment to acquire** any goods or services. (Just like any other property.)
- Income is also recognized when the taxpayer receives virtual currency as **payment for good or services or rewards**. (Just like any other property.)



# Income Characteristics of Digital Assets

## Digital Assets Treated as Capital Assets (Capital Gains) when –

- Trading, selling, exchanging, or spending any digital asset that you own as an investment
- Non-currency digital assets may be subject to the capital gains collectible rules



# Income Characteristics of Digital Assets

## Digital Assets Treated as Ordinary Income when –

- Receiving digital assets / virtual currency as payment for wages
- Mining
- Trading as a dealer or as part of a trade or business



# 1040 (Page 1) Comparison 2021 vs. 2022

**Form 1040** Department of the Treasury—Internal Revenue Service (99) **2021** OMB No. 1545-0074 IRS Use Only—Do not write on this form.

**Filing Status**  Single  Married filing jointly  Married filing separately (MFS)  Head of household (HOH)  Qualifying surviving spouse (QSS)  
Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent.

Your first name and middle initial \_\_\_\_\_ Last name \_\_\_\_\_ Your social security number \_\_\_\_\_  
If joint return, spouse's first name and middle initial \_\_\_\_\_ Last name \_\_\_\_\_ Spouse's social security number \_\_\_\_\_

Home address (number and street), if you have a P.O. box, see instructions. Apt. no. \_\_\_\_\_  
City, town, or post office. If you have a foreign address, also complete spaces below. State \_\_\_\_\_ ZIP code \_\_\_\_\_  
Foreign country name \_\_\_\_\_ Foreign province/state/country \_\_\_\_\_ Foreign postal code \_\_\_\_\_

At any time during 2021, did you receive, sell, exchange, or otherwise dispose of any financial interest in any virtual currency?

**Standard Deduction** Someone can claim:  You as a dependent  Your spouse as a dependent  Spouse itemizes on a separate return or you were a dual-status alien

**Age/Blindness** You:  Were born before January 2, 1957  Are blind Spouse:  Was born before January 2, 1957  Is blind

| Dependents (see instructions): |           | (2) Social security number | (3) Relationship to you | (4) <input checked="" type="checkbox"/> if qualifies for Child tax credit |
|--------------------------------|-----------|----------------------------|-------------------------|---|
| (1) First name                 | Last name |                            |                         |   |
|                                |           |                            |                         | <input type="checkbox"/>  |

|  |            |
|--|------------|
| <b>1</b> Wages, salaries, tips, etc. Attach Form(s) W-2  | <b>4</b>   |
| <b>2a</b> Tax-exempt interest  | <b>2a</b>  |
| <b>3a</b> Qualified dividends  | <b>3a</b>  |
| <b>4a</b> IRA distributions  | <b>4a</b>  |
| <b>5a</b> Pensions and annuities   | <b>5a</b>  |
| <b>6a</b> Social security benefits   | <b>6a</b>  |
| <b>7</b> Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/> | <b>7</b>   |
| <b>8</b> Other income from Schedule 1, line 10   | <b>8</b>   |
| <b>9</b> Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income  | <b>9</b>   |
| <b>10</b> Adjustments to income from Schedule 1, line 26   | <b>10</b>  |
| <b>11</b> Subtract line 10 from line 9. This is your adjusted gross income   | <b>11</b>  |
| <b>12a</b> Standard deduction or itemized deductions (from Schedule A)   | <b>12a</b> |
| <b>b</b> Charitable contributions if you take the standard deduction (see instructions)                              | <b>12b</b> |
| <b>c</b> Add lines 12a and 12b   | <b>12</b>  |
| <b>13</b> Qualified business income deduction from Form 8995 or Form 8995-A  | <b>13</b>  |
| <b>14</b> Add lines 12c and 13   | <b>14</b>  |
| <b>15</b> Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-                                  | <b>15</b>  |

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.

Line 1 now has subparts to break out earned income from various sources

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**Filing Status**  Single  Married filing jointly  Married filing separately (MFS)  Head of household (HOH)  Qualifying surviving spouse (QSS)  
Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QSS box, enter the child's name if the qualifying person is a child but not your dependent.

Your first name and middle initial \_\_\_\_\_ Last name \_\_\_\_\_ Your social security number \_\_\_\_\_  
If joint return, spouse's first name and middle initial \_\_\_\_\_ Last name \_\_\_\_\_ Spouse's social security number \_\_\_\_\_

Home address (number and street), if you have a P.O. box, see instructions. Apt. no. \_\_\_\_\_  
City, town, or post office. If you have a foreign address, also complete spaces below. State \_\_\_\_\_ ZIP code \_\_\_\_\_  
Foreign country name \_\_\_\_\_ Foreign province/state/country \_\_\_\_\_ Foreign postal code \_\_\_\_\_

At any time during 2022, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, gift, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.)  Yes  No

**Standard Deduction** Someone can claim:  You as a dependent  Your spouse as a dependent  Spouse itemizes on a separate return or you were a dual-status alien

**Age/Blindness** You:  Were born before January 2, 1958  Are blind Spouse:  Was born before January 2, 1958  Is blind

| Dependents (see instructions): |           | (2) Social security number | (3) Relationship to you | (4) Check the box if qualifies for (see instructions): |
|--------------------------------|-----------|----------------------------|-------------------------|--|
| (1) First name                 | Last name |                            |                         | Child tax credit                                       |
|                                |           |                            |                         | <input type="checkbox"/>                               |

|  |           |
|--|-----------|
| <b>1a</b> Total amount from Form(s) W-2, box 1 (see instructions)                | <b>1a</b> |
| <b>b</b> Household employee wages not reported on Form(s) W-2                    | <b>1b</b> |
| <b>c</b> Tip income not reported on line 1a (see instructions)                   | <b>1c</b> |
| <b>d</b> Medicaid waiver payments not reported on Form(s) W-2 (see instructions) | <b>1d</b> |
| <b>e</b> Taxable dependent care benefits from Form 2441, line 26                 | <b>1e</b> |
| <b>f</b> Employer-provided adoption benefits from Form 8839, line 29             | <b>1f</b> |
| <b>g</b> Wages from Form 8919, line 6  | <b>1g</b> |
| <b>h</b> Other earned income (see instructions)                                  | <b>1h</b> |
| <b>i</b> Nontaxable combat pay election (see instructions)                       | <b>1i</b> |

|  |           |
|--|-----------|
| <b>2a</b> Tax-exempt interest  | <b>2a</b> |
| <b>3a</b> Qualified dividends  | <b>3a</b> |
| <b>4a</b> IRA distributions  | <b>4a</b> |
| <b>5a</b> Pensions and annuities   | <b>5a</b> |
| <b>6a</b> Social security benefits   | <b>6a</b> |
| <b>7</b> Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/> | <b>7</b>  |
| <b>8</b> Other income from Schedule 1, line 10   | <b>8</b>  |
| <b>9</b> Add lines 2a, 2b, 3a, 4a, 5a, 6a, 7, and 8. This is your total income                                       | <b>9</b>  |
| <b>10</b> Adjustments to income from Schedule 1, line 26   | <b>10</b> |
| <b>11</b> Subtract line 10 from line 9. This is your adjusted gross income   | <b>11</b> |
| <b>12</b> Standard deduction or itemized deductions (from Schedule A)  | <b>12</b> |
| <b>13</b> Qualified business income deduction from Form 8995 or Form 8995-A  | <b>13</b> |
| <b>14</b> Add lines 12 and 13  | <b>14</b> |
| <b>15</b> Subtract line 14 from line 11. If zero or less, enter -0-. This is your taxable income                     | <b>15</b> |

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# 1040 (Page 1) Comparison 2021 vs. 2022

**Form 1040** Department of the Treasury—Internal Revenue Service (99) **2021** OMB No. 1545-0074 IRS Use Only—Do not write on this form.

**Filing Status**  Single  Married filing jointly  Married filing separately (MFS)  Head of household (HOH)  Qualifying surviving spouse (QSS)  
Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QSS box, enter the child's name if the qualifying person is a child but not your dependent.

Your first name and middle initial \_\_\_\_\_ Last name \_\_\_\_\_ Your social security number \_\_\_\_\_  
If joint return, spouse's first name and middle initial \_\_\_\_\_ Last name \_\_\_\_\_ Spouse's social security number \_\_\_\_\_

Home address (number and street), if you have a P.O. box, see instructions. Apt. no. \_\_\_\_\_  
City, town, or post office. If you have a foreign address, also complete spaces below. State \_\_\_\_\_ ZIP code \_\_\_\_\_  
Foreign country name \_\_\_\_\_ Foreign province/state/country \_\_\_\_\_ Foreign postal code \_\_\_\_\_

At any time during 2021, did you receive, sell, exchange, or otherwise dispose of any financial interest in any virtual currency?  
**Standard Deduction** Someone can claim:  You as a dependent  Your spouse as a dependent  Spouse itemizes on a separate return or you were a dual-status alien

**Age/Blindness** You:  Were born before January 2, 1957  Are blind Spouse:  Was born before January 2, 1957  Is blind

| Dependents (see instructions): |           | (2) Social security number | (3) Relationship to you | (4) <input checked="" type="checkbox"/> if qualifies for Child tax credit |
|--------------------------------|-----------|----------------------------|-------------------------|---|
| (1) First name                 | Last name |                            |                         |   |
|                                |           |                            |                         | <input type="checkbox"/>  |

|     |   |     |  |     |
|-----|---|-----|--|-----|
| 1   | Wages, salaries, tips, etc. Attach Form(s) W-2  |     |  | 1   |
| 2a  | Tax-exempt interest   | 2a  |  | 2a  |
| 2b  | Taxable interest  |     |  | 2b  |
| 3a  | Qualified dividends   | 3a  |  | 3a  |
| 3b  | Ordinary dividends  |     |  | 3b  |
| 4a  | IRA distributions   | 4a  |  | 4a  |
| 4b  | Taxable amount  |     |  | 4b  |
| 5a  | Pensions and annuities  | 5a  |  | 5a  |
| 5b  | Taxable amount  |     |  | 5b  |
| 6a  | Social security benefits  | 6a  |  | 6a  |
| 6b  | Taxable amount  |     |  | 6b  |
| 7   | Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/> |     |  | 7   |
| 8   | Other income from Schedule 1, line 10   |     |  | 8   |
| 9   | Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income  |     |  | 9   |
| 10  | Adjustments to income from Schedule 1, line 26  |     |  | 10  |
| 11  | Subtract line 10 from line 9. This is your adjusted gross income  |     |  | 11  |
| 12a | Standard deduction or itemized deductions (from Schedule A)   | 12a |  | 12a |
| 12b | Charitable contributions if you take the standard deduction (see instructions)                              | 12b |  | 12b |
| 12c | Add lines 12a and 12b   |     |  | 12  |
| 13  | Qualified business income deduction from Form 8995 or Form 8995-A   |     |  | 13  |
| 14  | Add lines 12c and 13  |     |  | 14  |
| 15  | Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-                                   |     |  | 15  |

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Line 6 has a new check box if the lump-sum method is elected for Social Security

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**Filing Status**  Single  Married filing jointly  Married filing separately (MFS)  Head of household (HOH)  Qualifying surviving spouse (QSS)  
Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QSS box, enter the child's name if the qualifying person is a child but not your dependent.

Your first name and middle initial \_\_\_\_\_ Last name \_\_\_\_\_ Your social security number \_\_\_\_\_  
If joint return, spouse's first name and middle initial \_\_\_\_\_ Last name \_\_\_\_\_ Spouse's social security number \_\_\_\_\_

Home address (number and street), if you have a P.O. box, see instructions. Apt. no. \_\_\_\_\_  
City, town, or post office. If you have a foreign address, also complete spaces below. State \_\_\_\_\_ ZIP code \_\_\_\_\_  
Foreign country name \_\_\_\_\_ Foreign province/state/country \_\_\_\_\_ Foreign postal code \_\_\_\_\_

At any time during 2022, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, gift, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.)  Yes  No

**Standard Deduction** Someone can claim:  You as a dependent  Your spouse as a dependent  Spouse itemizes on a separate return or you were a dual-status alien

**Age/Blindness** You:  Were born before January 2, 1958  Are blind Spouse:  Was born before January 2, 1958  Is blind

| Dependents (see instructions): |           | (2) Social security number | (3) Relationship to you | (4) Check the box if qualifies for (see instructions): |
|--------------------------------|-----------|----------------------------|-------------------------|--|
| (1) First name                 | Last name |                            |                         | Child tax credit                                       |
|                                |           |                            |                         | <input type="checkbox"/>                               |

|    |   |    |  |    |
|----|---|----|--|----|
| 1a | Total amount from Form(s) W-2, box 1 (see instructions)   |    |  | 1a |
| 1b | Household employee wages not reported on Form(s) W-2  |    |  | 1b |
| 1c | Tip income not reported on line 1a (see instructions)   |    |  | 1c |
| 1d | Medicaid waiver payments not reported on Form(s) W-2 (see instructions)                                     |    |  | 1d |
| 1e | Taxable dependent care benefits from Form 2441, line 26   |    |  | 1e |
| 1f | Employer-provided adoption benefits from Form 8839, line 29   |    |  | 1f |
| 1g | Wages from Form 8919, line 6  |    |  | 1g |
| 1h | Other earned income (see instructions)  |    |  | 1h |
| 1i | Nontaxable combat pay election (see instructions)   | 1i |  | 1i |
| 1z | Add lines 1a through 1h   |    |  | 1z |
| 2a | Tax-exempt interest   | 2a |  | 2a |
| 2b | Taxable interest  |    |  | 2b |
| 3a | Qualified dividends   | 3a |  | 3a |
| 3b | Ordinary dividends  |    |  | 3b |
| 4a | IRA distributions   | 4a |  | 4a |
| 4b | Taxable amount  |    |  | 4b |
| 5a | Pensions and annuities  | 5a |  | 5a |
| 5b | Taxable amount  |    |  | 5b |
| 6a | Social security benefits  | 6a |  | 6a |
| 6b | Taxable amount  |    |  | 6b |
| 7  | Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/> |    |  | 7  |
| 8  | Other income from Schedule 1, line 10   |    |  | 8  |
| 9  | Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income                                       |    |  | 9  |
| 10 | Adjustments to income from Schedule 1, line 26  |    |  | 10 |
| 11 | Subtract line 10 from line 9. This is your adjusted gross income  |    |  | 11 |
| 12 | Standard deduction or itemized deductions (from Schedule A)   |    |  | 12 |
| 13 | Qualified business income deduction from Form 8995 or Form 8995-A   |    |  | 13 |
| 14 | Add lines 12 and 13   |    |  | 14 |
| 15 | Subtract line 14 from line 11. If zero or less, enter -0-. This is your taxable income                      |    |  | 15 |

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.



If you elect to use the lump-sum election method, check here (see instructions)

# 1040 (Page 1) Comparison 2021 vs. 2022

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**Filing Status**  Single  Married filing jointly  Married filing separately (MFS)  Head of household (HOH)  Qualifying surviving spouse (QSS)  
Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QSS box, enter the child's name if the qualifying person is a child but not your dependent.

Your first name and middle initial \_\_\_\_\_ Last name \_\_\_\_\_ Your social security number \_\_\_\_\_  
If joint return, spouse's first name and middle initial \_\_\_\_\_ Last name \_\_\_\_\_ Spouse's social security number \_\_\_\_\_

Home address (number and street), if you have a P.O. box, see instructions. Apt. no. \_\_\_\_\_  
City, town, or post office. If you have a foreign address, also complete spaces below. State \_\_\_\_\_ ZIP code \_\_\_\_\_  
Foreign country name \_\_\_\_\_ Foreign province/state/country \_\_\_\_\_ Foreign postal code \_\_\_\_\_

At any time during 2021, did you receive, sell, exchange, or otherwise dispose of any financial interest in any virtual currency?

**Standard Deduction** Someone can claim:  You as a dependent  Your spouse as a dependent  Spouse itemizes on a separate return or you were a dual-status alien

**Age/Blindness** You:  Were born before January 2, 1957  Are blind  Spouse:  Was born before January 2, 1958  Is blind

| Dependents (see instructions): |           | (2) Social security number | (3) Relationship to you | (4) <input checked="" type="checkbox"/> if qualifies for Child tax credit |
|--------------------------------|-----------|----------------------------|-------------------------|---|
| (1) First name                 | Last name |                            |                         |   |
|                                |           |                            |                         | <input type="checkbox"/>  |

| 1 Wages, salaries, tips, etc. Attach Form(s) W-2 |   | 1   |    |
|--|---|-----|----|
| 2a   | 2a  | b   | 2b |
| 2a   | 2a  | b   | 2b |
| 3a   | 3a  | b   | 3b |
| 4a   | 4a  | b   | 4b |
| 5a   | 5a  | b   | 5b |
| 6a   | 6a  | b   | 6b |
| 7  | 7 Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/> |     | 7  |
| 8  | 8 Other income from Schedule 1, line 10   |     | 8  |
| 9  | 9 Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income  |     | 9  |
| 10   | 10 Adjustments to income from Schedule 1, line 26   |     | 10 |
| 11   | 11 Subtract line 10 from line 9. This is your adjusted gross income   |     | 11 |
| 12a  | 12a   | 12b | 12 |
| 12a  | 12a   | 12b | 12 |
| 13   | 13 Qualified business income deduction from Form 8995 or Form 8995-A  |     | 13 |
| 14   | 14 Add lines 12c and 13   |     | 14 |
| 15   | 15 Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-                                  |     | 15 |

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.

Line 12 no longer has the charitable deduction for non-itemizers

**Form 1040** Department of the Treasury—Internal Revenue Service (99) **2022** OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

**Filing Status**  Single  Married filing jointly  Married filing separately (MFS)  Head of household (HOH)  Qualifying surviving spouse (QSS)  
Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QSS box, enter the child's name if the qualifying person is a child but not your dependent.

Your first name and middle initial \_\_\_\_\_ Last name \_\_\_\_\_ Your social security number \_\_\_\_\_  
If joint return, spouse's first name and middle initial \_\_\_\_\_ Last name \_\_\_\_\_ Spouse's social security number \_\_\_\_\_

Home address (number and street), if you have a P.O. box, see instructions. Apt. no. \_\_\_\_\_  
City, town, or post office. If you have a foreign address, also complete spaces below. State \_\_\_\_\_ ZIP code \_\_\_\_\_  
Foreign country name \_\_\_\_\_ Foreign province/state/country \_\_\_\_\_ Foreign postal code \_\_\_\_\_

At any time during 2022, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, gift, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.)  Yes  No

**Standard Deduction** Someone can claim:  You as a dependent  Your spouse as a dependent  Spouse itemizes on a separate return or you were a dual-status alien

**Age/Blindness** You:  Were born before January 2, 1958  Are blind  Spouse:  Was born before January 2, 1958  Is blind

| Dependents (see instructions): |           | (2) Social security number | (3) Relationship to you | (4) Check the box if qualifies for (see instructions): |
|--------------------------------|-----------|----------------------------|-------------------------|--|
| (1) First name                 | Last name |                            |                         | Child tax credit                                       |
|                                |           |                            |                         | <input type="checkbox"/>                               |

| Income |    |    |    |
|--------|----|----|----|
| 1a     | 1a | 1b | 1b |
| 1a     | 1a | 1b | 1b |
| 1b     | 1b | 1c | 1c |
| 1c     | 1c | 1d | 1d |
| 1d     | 1d | 1e | 1e |
| 1e     | 1e | 1f | 1f |
| 1f     | 1f | 1g | 1g |
| 1g     | 1g | 1h | 1h |
| 1h     | 1h | 1i | 1i |
| 1i     | 1i | 1j | 1j |
| 1j     | 1j | 1k | 1k |
| 1k     | 1k | 1l | 1l |
| 1l     | 1l | 1m | 1m |
| 1m     | 1m | 1n | 1n |
| 1n     | 1n | 1o | 1o |
| 1o     | 1o | 1p | 1p |
| 1p     | 1p | 1q | 1q |
| 1q     | 1q | 1r | 1r |
| 1r     | 1r | 1s | 1s |
| 1s     | 1s | 1t | 1t |
| 1t     | 1t | 1u | 1u |
| 1u     | 1u | 1v | 1v |
| 1v     | 1v | 1w | 1w |
| 1w     | 1w | 1x | 1x |
| 1x     | 1x | 1y | 1y |
| 1y     | 1y | 1z | 1z |
| 1z     | 1z | 2a | 2a |
| 2a     | 2a | 2b | 2b |
| 2b     | 2b | 2c | 2c |
| 2c     | 2c | 2d | 2d |
| 2d     | 2d | 2e | 2e |
| 2e     | 2e | 2f | 2f |
| 2f     | 2f | 2g | 2g |
| 2g     | 2g | 2h | 2h |
| 2h     | 2h | 2i | 2i |
| 2i     | 2i | 2j | 2j |
| 2j     | 2j | 2k | 2k |
| 2k     | 2k | 2l | 2l |
| 2l     | 2l | 2m | 2m |
| 2m     | 2m | 2n | 2n |
| 2n     | 2n | 2o | 2o |
| 2o     | 2o | 2p | 2p |
| 2p     | 2p | 2q | 2q |
| 2q     | 2q | 2r | 2r |
| 2r     | 2r | 2s | 2s |
| 2s     | 2s | 2t | 2t |
| 2t     | 2t | 2u | 2u |
| 2u     | 2u | 2v | 2v |
| 2v     | 2v | 2w | 2w |
| 2w     | 2w | 2x | 2x |
| 2x     | 2x | 2y | 2y |
| 2y     | 2y | 2z | 2z |
| 2z     | 2z | 3  | 3  |
| 3      | 3  | 4  | 4  |
| 4      | 4  | 5  | 5  |
| 5      | 5  | 6  | 6  |
| 6      | 6  | 7  | 7  |
| 7      | 7  | 8  | 8  |
| 8      | 8  | 9  | 9  |
| 9      | 9  | 10 | 10 |
| 10     | 10 | 11 | 11 |
| 11     | 11 | 12 | 12 |
| 12     | 12 | 13 | 13 |
| 13     | 13 | 14 | 14 |
| 14     | 14 | 15 | 15 |

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.

# 1040 (Page 2) Comparison 2021 vs. 2022

Second Page has removed subparts to Line 27 for EITC regarding Prior Year (2019) earned income and the provisions for 19-year-olds claiming EITC

Form 1040 (2021)

|     |  |     |
|-----|--|-----|
| 16  | Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/>                                  | 16  |
| 17  | Amount from Schedule 2, line 3   | 17  |
| 18  | Add lines 16 and 17  | 18  |
| 19  | Nonrefundable child tax credit or credit for other dependents from Schedule 8812   | 19  |
| 20  | Amount from Schedule 3, line 8   | 20  |
| 21  | Add lines 19 and 20  | 21  |
| 22  | Subtract line 21 from line 18. If zero or less, enter -0-  | 22  |
| 23  | Other taxes, including self-employment tax, from Schedule 2, line 21   | 23  |
| 24  | Add lines 22 and 23. This is your total tax  | 24  |
| 25  | Federal income tax withheld from:  |     |
| a   | Form(s) W-2  | 25a |
| b   | Form(s) 1099   | 25b |
| c   | Other forms (see instructions)   | 25c |
| d   | Add lines 25a through 25c  | 25d |
| 26  | 2021 estimated tax payments and amount applied from 2020 return  | 26  |
| 27a | Earned income credit (EIC)<br>Check here if you had not reached the age of 19 by December 31, 2021, and satisfy all other requirements for claiming the EIC. See instructions. | 27a |
| b   | Nontaxable combat pay election   | 27b |
| c   | Prior year (2019) earned income  | 27c |
| 28  | Refundable child tax credit or additional child tax credit from Schedule 8812  | 28  |
| 29  | American opportunity credit from Form 8863, line 8   | 29  |
| 30  | Recovery rebate credit. See instructions   | 30  |
| 31  | Amount from Schedule 3, line 15  | 31  |
| 32  | Add lines 27a and 28 through 31. These are your total other payments and refundable credits  | 32  |
| 33  | Add lines 25d, 26, and 32. These are your total payments   | 33  |
| 34  | If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you overpaid  | 34  |
| 35a | Amount of line 34 you want refunded to you. If Form 8888 is attached, check here <input type="checkbox"/>  | 35a |
| b   | Routing number   |     |
| c   | Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings   |     |
| d   | Account number   |     |
| 36  | Amount of line 34 you want applied to your 2022 estimated tax  | 36  |
| 37  | Amount you owe. Subtract line 33 from line 24. For details on how to pay, see instructions   | 37  |
| 38  | Estimated tax penalty (see instructions)   | 38  |

Go to [www.irs.gov/Form1040](http://www.irs.gov/Form1040) for instructions and the latest information.

Form 1040 (2022)

|     |  |     |
|-----|--|-----|
| 16  | Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/>  | 16  |
| 17  | Amount from Schedule 2, line 3   | 17  |
| 18  | Add lines 16 and 17  | 18  |
| 19  | Child tax credit or credit for other dependents from Schedule 8812   | 19  |
| 20  | Amount from Schedule 3, line 8   | 20  |
| 21  | Add lines 19 and 20  | 21  |
| 22  | Subtract line 21 from line 18. If zero or less, enter -0-  | 22  |
| 23  | Other taxes, including self-employment tax, from Schedule 2, line 21   | 23  |
| 24  | Add lines 22 and 23. This is your total tax  | 24  |
| 25  | Federal income tax withheld from:  |     |
| a   | Form(s) W-2  | 25a |
| b   | Form(s) 1099   | 25b |
| c   | Other forms (see instructions)   | 25c |
| d   | Add lines 25a through 25c  | 25d |
| 26  | 2022 estimated tax payments and amount applied from 2021 return  | 26  |
| 27  | Earned income credit (EIC)   | 27  |
| 28  | Additional child tax credit from Schedule 8812   | 28  |
| 29  | American opportunity credit from Form 8863, line 8   | 29  |
| 30  | Reserved for future use  | 30  |
| 31  | Amount from Schedule 3, line 15  | 31  |
| 32  | Add lines 27, 28, 29, and 31. These are your total other payments and refundable credits   | 32  |
| 33  | Add lines 25d, 26, and 32. These are your total payments   | 33  |
| 34  | If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you overpaid  | 34  |
| 35a | Amount of line 34 you want refunded to you. If Form 8888 is attached, check here <input type="checkbox"/>  | 35a |
| b   | Routing number   |     |
| c   | Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings   |     |
| d   | Account number   |     |
| 36  | Amount of line 34 you want applied to your 2023 estimated tax  | 36  |
| 37  | Amount you owe. Subtract line 33 from line 24. This is the amount you owe. For details on how to pay, go to <a href="http://www.irs.gov/Payments">www.irs.gov/Payments</a> or see instructions | 37  |
| 38  | Estimated tax penalty (see instructions)   | 38  |

Go to [www.irs.gov/Form1040](http://www.irs.gov/Form1040) for instructions and the latest information.

# 1040 (Page 2) Comparison 2021 vs. 2022

Recovery Rebate Credit  
is now marked as  
reserved for future use

Form 1040 (2021)

|     |  |  |
|-----|--|--|
| 16  | Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/>  | 16   |
| 17  | Amount from Schedule 2, line 3   | 17   |
| 18  | Add lines 16 and 17  | 18   |
| 19  | Nonrefundable child tax credit or credit for other dependents from Schedule 8812   | 19   |
| 20  | Amount from Schedule 3, line B   | 20   |
| 21  | Add lines 19 and 20  | 21   |
| 22  | Subtract line 21 from line 18. If zero or less, enter -0-  | 22   |
| 23  | Other taxes, including self-employment tax, from Schedule 2, line 21   | 23   |
| 24  | Add lines 22 and 23. This is your total tax  | 24   |
| 25  | Federal income tax withheld from:  |  |
| a   | Form(s) W-2  | 25a  |
| b   | Form(s) 1099   | 25b  |
| c   | Other forms (see instructions)   | 25c  |
| d   | Add lines 25a through 25c  | 25d  |
| 26  | 2021 estimated tax payments and amount applied from 2020 return  | 26   |
| 27a | Earned income credit (EIC)<br>Check here if you had not reached the age of 19 by December 31, 2021, and satisfy all other requirements for claiming the EIC. See instructions <input type="checkbox"/> | 27a  |
| b   | Nontaxable combat pay election   | 27b  |
| c   | Prior year (2019) earned income  | 27c  |
| 28  | Refundable child tax credit or additional child tax credit from Schedule 8812  | 28   |
| 29  |  | 29   |
| 30  | Recovery rebate credit. See instructions   | 30   |
| 31  | Amount from Schedule 3, line 15  | 31   |
| 32  | Add lines 27a and 28 through 31. These are your total other payments and refundable credits  | 32   |
| 33  | Add lines 25d, 26, and 32. These are your total payments   | 33   |
| 34  | If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you overpaid  | 34   |
| 35a | Amount of line 34 you want refunded to you. If Form 8888 is attached, check here <input type="checkbox"/>  | 35a  |
| b   | Routing number   | c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings |
| d   | Account number   |  |
| 36  | Amount of line 34 you want applied to your 2022 estimated tax  | 36   |
| 37  | Amount you owe. Subtract line 33 from line 24. For details on how to pay, see instructions   | 37   |
| 38  | Estimated tax penalty (see instructions)   | 38   |

Go to [www.irs.gov/Form1040](http://www.irs.gov/Form1040) for instructions and the latest information.

Form 1040 (2022)

|     |  |  |
|-----|--|--|
| 16  | Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/>  | 16   |
| 17  | Amount from Schedule 2, line 3   | 17   |
| 18  | Add lines 16 and 17  | 18   |
| 19  | Child tax credit or credit for other dependents from Schedule 8812   | 19   |
| 20  | Amount from Schedule 3, line B   | 20   |
| 21  | Add lines 19 and 20  | 21   |
| 22  | Subtract line 21 from line 18. If zero or less, enter -0-  | 22   |
| 23  | Other taxes, including self-employment tax, from Schedule 2, line 21   | 23   |
| 24  | Add lines 22 and 23. This is your total tax  | 24   |
| 25  | Federal income tax withheld from:  |  |
| a   | Form(s) W-2  | 25a  |
| b   | Form(s) 1099   | 25b  |
| c   | Other forms (see instructions)   | 25c  |
| d   | Add lines 25a through 25c  | 25d  |
| 26  | 2022 estimated tax payments and amount applied from 2021 return  | 26   |
| 27  | Earned income credit (EIC)   | 27   |
| 28  | Additional child tax credit from Schedule 8812   | 28   |
| 29  | American opportunity credit from Form 8863, line 8   | 29   |
| 30  | Reserved for future use  | 30   |
| 31  | Amount from Schedule 3, line 15  | 31   |
| 32  | Add lines 27, 28, 29, and 31. These are your total other payments and refundable credits   | 32   |
| 33  | Add lines 25d, 26, and 32. These are your total payments   | 33   |
| 34  | If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you overpaid  | 34   |
| 35a | Amount of line 34 you want refunded to you. If Form 8888 is attached, check here <input type="checkbox"/>  | 35a  |
| b   | Routing number   | c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings |
| d   | Account number   |  |
| 36  | Amount of line 34 you want applied to your 2023 estimated tax  | 36   |
| 37  | Amount you owe. Subtract line 33 from line 24. This is the amount you owe. For details on how to pay, go to <a href="http://www.irs.gov/Payments">www.irs.gov/Payments</a> or see instructions | 37   |
| 38  | Estimated tax penalty (see instructions)   | 38   |

Do you want to allow another person to discuss this return with the IRS? See instructions  Yes. Complete below.  No

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Preparer's name: \_\_\_\_\_ Phone no.: \_\_\_\_\_ Personal identification number (PIN): \_\_\_\_\_

Preparer's signature: \_\_\_\_\_ Date: \_\_\_\_\_ Your occupation: \_\_\_\_\_ If the IRS sent you an Identity Protection PIN, enter it here (see Inst.): \_\_\_\_\_

Spouse's signature. If a joint return, both must sign. Date: \_\_\_\_\_ Spouse's occupation: \_\_\_\_\_ If the IRS sent your spouse an Identity Protection PIN, enter it here (see Inst.): \_\_\_\_\_

Preparer's name: \_\_\_\_\_ Preparer's signature: \_\_\_\_\_ Date: \_\_\_\_\_ PTIN: \_\_\_\_\_ Check it:  Self-employed

Firm's name: \_\_\_\_\_ Phone no.: \_\_\_\_\_  
Firm's address: \_\_\_\_\_ Firm's EIN: \_\_\_\_\_

Go to [www.irs.gov/Form1040](http://www.irs.gov/Form1040) for instructions and the latest information.

# 1040 (Page 2) Comparison 2021 vs. 2022

Form 1040 (2021)

|     |  |  |
|-----|--|--|
| 16  | Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/>  | 16   |
| 17  | Amount from Schedule 2, line 3   | 17   |
| 18  | Add lines 16 and 17  | 18   |
| 19  | Nonrefundable child tax credit or credit for other dependents from Schedule 8812   | 19   |
| 20  | Amount from Schedule 3, line 8   | 20   |
| 21  | Add lines 19 and 20  | 21   |
| 22  | Subtract line 21 from line 18. If zero or less, enter -0-  | 22   |
| 23  | Other taxes, including self-employment tax, from Schedule 2, line 21   | 23   |
| 24  | Add lines 22 and 23. This is your total tax  | 24   |
| 25  | Federal income tax withheld from:  |  |
| a   | Form(s) W-2  | 25a  |
| b   | Form(s) 1099   | 25b  |
| c   | Other forms (see instructions)   | 25c  |
| d   | Add lines 25a through 25c  | 25d  |
| 26  | 2021 estimated tax payments and amount applied from 2020 return  | 26   |
| 27a | Earned income credit (EIC)<br>Check here if you had not reached the age of 19 by December 31, 2021, and satisfy all other requirements for claiming the EIC. See instructions <input type="checkbox"/> | 27a  |
| b   | Nontaxable combat pay election   | 27b  |
| c   | Prior year (2019) earned income  | 27c  |
| 28  | Refundable child tax credit or additional child tax credit from Schedule 8812  | 28   |
| 29  | American opportunity credit from Form 8863, line 8   | 29   |
| 30  | Recovery rebate credit. See instructions   | 30   |
| 31  | Amount from Schedule 3, line 15  | 31   |
| 32  | Add lines 27a and 28 through 31. These are your total other payments and refundable credits  | 32   |
| 33  | Add lines 25d, 26, and 32. These are your total payments   | 33   |
| 34  | If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you overpaid  | 34   |
| 35a | Amount of line 34 you want refunded to you. If Form 8888 is attached, check here <input type="checkbox"/>  | 35a  |
| b   | Routing number   | c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings |
| d   | Account number   |  |
| 36  | Amount of line 34 you want applied to your 2022 estimated tax  | 36   |
| 37  | Amount you owe. Subtract line 33 from line 24. For details on how to pay, see instructions   | 37   |
| 38  | Estimated tax penalty (see instructions)   | 38   |

Refund

Direct deposit? See instructions.

Amount You Owe

Third Party Designee

Sign Here

Paid Preparer Use Only

Go to [www.irs.gov/Form1040](http://www.irs.gov/Form1040) for instructions and the latest information.

Line 19 and Line 28 – addressing the Child Tax Credit and Additional Child Tax Credit revert to how they were presented in 2020

Form 1040 (2022)

|     |  |  |
|-----|--|--|
| 16  | Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/>  | 16   |
| 17  | Amount from Schedule 2, line 3   | 17   |
| 18  | Add lines 16 and 17  | 18   |
| 19  | Child tax credit or credit for other dependents from Schedule 8812   | 19   |
| 20  | Amount from Schedule 3, line 8   | 20   |
| 21  | Add lines 19 and 20  | 21   |
| 22  | Subtract line 21 from line 18. If zero or less, enter -0-  | 22   |
| 23  | Other taxes, including self-employment tax, from Schedule 2, line 21   | 23   |
| 24  | Add lines 22 and 23. This is your total tax  | 24   |
| 25  | Federal income tax withheld from:  |  |
| a   | Form(s) W-2  | 25a  |
| b   | Form(s) 1099   | 25b  |
| c   | Other forms (see instructions)   | 25c  |
| d   | Add lines 25a through 25c  | 25d  |
| 26  | 2022 estimated tax payments and amount applied from 2021 return  | 26   |
| 27  | Earned income credit (EIC)   | 27   |
| 28  | Additional child tax credit from Schedule 8812   | 28   |
| 29  | American opportunity credit from Form 8863, line 8   | 29   |
| 30  | Reserved for future use  | 30   |
| 31  | Amount from Schedule 3, line 15  | 31   |
| 32  | Add lines 27, 28, 29, and 31. These are your total other payments and refundable credits   | 32   |
| 33  | Add lines 25d, 26, and 32. These are your total payments   | 33   |
| 34  | If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you overpaid  | 34   |
| 35a | Amount of line 34 you want refunded to you. If Form 8888 is attached, check here <input type="checkbox"/>  | 35a  |
| b   | Routing number   | c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings |
| d   | Account number   |  |
| 36  | Amount of line 34 you want applied to your 2023 estimated tax  | 36   |
| 37  | Amount you owe. Subtract line 33 from line 24. This is the amount you owe. For details on how to pay, go to <a href="http://www.irs.gov/Payments">www.irs.gov/Payments</a> or see instructions | 37   |
| 38  | Estimated tax penalty (see instructions)   | 38   |

Tax and Credits

Payments

Refund

Direct deposit? See instructions.

Amount You Owe

Third Party Designee

Sign Here

Paid Preparer Use Only

Go to [www.irs.gov/Form1040](http://www.irs.gov/Form1040) for instructions and the latest information.

# Schedule 1 (page 1) Comparison 2021 vs. 2022

**SCHEDULE 1 (Form 1040)** Additional Income and Adjustments to Income  
 OMB No. 1545-0074  
**2021**  
 Department of the Treasury Internal Revenue Service  
 Attach to Form 1040, 1040-SR, or 1040-NR.  
 Go to [www.irs.gov/Form1040](http://www.irs.gov/Form1040) for instructions and the latest information.  
 Attachment Sequence No. 01  
 Name(s) shown on Form 1040, 1040-SR, or 1040-NR Your social security number

**Part I Additional Income**

|    |   |    |     |
|----|---|----|-----|
| 1  | Taxable refunds, credits, or offsets of state and local income taxes  | 1  |     |
| 2a | Alimony received  | 2a |     |
| b  | Date of original divorce or separation agreement (see Instructions) ▶   |    |     |
| 3  | Business income or (loss). Attach Schedule C  | 3  |     |
| 4  | Other gains or (losses). Attach Form 4797   | 4  |     |
| 5  | Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E   | 5  |     |
| 6  | Farm income or (loss). Attach Schedule F  | 6  |     |
| 7  | Unemployment compensation   | 7  |     |
| 8  | Other income:   |    |     |
| a  | Net operating loss  | 8a | ( ) |
| b  | Gambling income   | 8b |     |
| c  | Cancellation of debt  | 8c |     |
| d  | Foreign earned income exclusion from Form 2555  | 8d | ( ) |
| e  | Taxable Health Savings Account distribution   | 8e |     |
| f  | Alaska Permanent Fund dividends   | 8f |     |
| g  | Jury duty pay   | 8g |     |
| h  | Prizes and awards   | 8h |     |
| i  | Activity not engaged in for profit income   | 8i |     |
| j  | Stock options   | 8j |     |
| k  | Income from the rental of personal property if you engaged in the rental for profit but were not in the business of renting such property | 8k |     |
| l  | Olympic and Paralympic medals and USOC prize money (see Instructions)   | 8l |     |
| m  | Section 951(a) inclusion (see Instructions)   | 8m |     |
| n  | Section 951A(a) inclusion (see Instructions)  | 8n |     |
| o  | Section 461(f) excess business loss adjustment  | 8o |     |
| p  | Taxable distributions from an ABL account (see Instructions)  | 8p |     |
| z  | Other income. List type and amount ▶  | 8z |     |
| 9  | Total other income. Add lines 8a through 8z   | 9  |     |
| 10 | Combine lines 1 through 7 and 9. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 8   | 10 |     |

For Paperwork Reduction Act Notice, see your tax return instructions. Schedule 1 (Form 1040) 2021

**Schedule 1-  
Additional Income  
now includes income  
items which were  
previously printed on  
the dotted line next  
to Line 1, including  
the nontaxable  
amount of Medicaid  
Waiver Payments  
that were previously  
a subtraction on  
Other Income**

**SCHEDULE 1 (Form 1040)** Additional Income and Adjustments to Income  
 OMB No. 1545-0074  
**2022**  
 Department of the Treasury Internal Revenue Service  
 Attach to Form 1040, 1040-SR, or 1040-NR.  
 Go to [www.irs.gov/Form1040](http://www.irs.gov/Form1040) for instructions and the latest information.  
 Attachment Sequence No. 01  
 Name(s) shown on Form 1040, 1040-SR, or 1040-NR Your social security number

**Part I Additional Income**

|    |   |    |     |
|----|---|----|-----|
| 1  | Taxable refunds, credits, or offsets of state and local income taxes  | 1  |     |
| 2a | Alimony received  | 2a |     |
| b  | Date of original divorce or separation agreement (see instructions):  |    |     |
| 3  | Business income or (loss). Attach Schedule C  | 3  |     |
| 4  | Other gains or (losses). Attach Form 4797   | 4  |     |
| 5  | Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E   | 5  |     |
| 6  | Farm income or (loss). Attach Schedule F  | 6  |     |
| 7  | Unemployment compensation   | 7  |     |
| 8  | Other income:   |    |     |
| a  | Net operating loss  | 8a | ( ) |
| b  | Gambling  | 8b |     |
| c  | Cancellation of debt  | 8c |     |
| d  | Foreign earned income exclusion from Form 2555  | 8d | ( ) |
| e  | Income from Form 8853   | 8e |     |
| f  | Income from Form 8889   | 8f |     |
| g  | Alaska Permanent Fund dividends   | 8g |     |
| h  | Jury duty pay   | 8h |     |
| i  | Prizes and awards   | 8i |     |
| j  | Activity not engaged in for profit income   | 8j |     |
| k  | Stock options   | 8k |     |
| l  | Income from the rental of personal property if you engaged in the rental for profit but were not in the business of renting such property | 8l |     |
| m  | Olympic and Paralympic medals and USOC prize money (see instructions)   | 8m |     |
| n  | Section 951(a) inclusion (see instructions)   | 8n |     |
| o  | Section 951A(a) inclusion (see instructions)  | 8o |     |
| p  | Section 461(f) excess business loss adjustment  | 8p |     |
| q  | Taxable distributions from an ABL account (see instructions)  | 8q |     |
| r  | Scholarship and fellowship grants not reported on Form W-2  | 8r |     |
| s  | Nontaxable amount of Medicaid waiver payments included on Form 1040, line 1a or 1d  | 8s | ( ) |
| t  | Pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan                                   | 8t |     |
| u  | Wages earned while incarcerated   | 8u |     |
| z  | Other income. List type and amount  | 8z |     |
| 9  | Total other income. Add lines 8a through 8z   | 9  |     |
| 10 | Combine lines 1 through 7 and 9. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 8   | 10 |     |

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 71479F Schedule 1 (Form 1040) 2022

# Schedule 1 (page 2) Comparison 2021 vs. 2022

Schedule 1 (Form 1040) 2021 Page 2

**Part II Adjustments to Income**

|     |  |     |  |
|-----|--|-----|--|
| 11  | Educator expenses  | 11  |  |
| 12  | Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106  | 12  |  |
| 13  | Health savings account deduction. Attach Form 8889   | 13  |  |
| 14  | Moving expenses for members of the Armed Forces. Attach Form 3903  | 14  |  |
| 15  | Deductible part of self-employment tax. Attach Schedule SE   | 15  |  |
| 16  | Self-employed SEP, SIMPLE, and qualified plans   | 16  |  |
| 17  | Self-employed health insurance deduction   | 17  |  |
| 18  | Penalty on early withdrawal of savings   | 18  |  |
| 19a | Alimony paid   | 19a |  |
|     | b Recipient's SSN  |     |  |
|     | c Date of original divorce or separation agreement (see Instructions)  |     |  |
| 20  | IRA deduction  | 20  |  |
| 21  | Student loan interest deduction  | 21  |  |
| 22  | Reserved for future use  | 22  |  |
| 23  | Archer MSA deduction   | 23  |  |
| 24  | Other adjustments:   |     |  |
|     | a Jury duty pay (see Instructions)   | 24a |  |
|     | b Deductible expenses related to income reported on line 8k from the rental of personal property engaged in for profit                                       | 24b |  |
|     | c Nontaxable amount of the value of Olympic and Paralympic medals and USOC prize money reported on line 8l   | 24c |  |
|     | d Reforestation amortization and expenses  | 24d |  |
|     | e Repayment of supplemental unemployment benefits under the Trade Act of 1974  | 24e |  |
|     | f Contributions to section 501(c)(18)(D) pension plans   | 24f |  |
|     | g Contributions by certain chaplains to section 403(b) plans   | 24g |  |
|     | h Attorney fees and court costs for actions involving certain unlawful discrimination claims (see Instructions)  | 24h |  |
|     | i Attorney fees and court costs you paid in connection with an award from the IRS for information you provided that helped the IRS detect tax law violations | 24i |  |
|     | j Housing deduction from Form 2555   | 24j |  |
|     | k Excess deductions of section 67(e) expenses from Schedule K-1 (Form 1041)  | 24k |  |
|     | z Other adjustments. List type and amount  | 24z |  |
| 25  | Total other adjustments. Add lines 24a through 24z   | 25  |  |
| 26  | Add lines 11 through 23 and 25. These are your adjustments to income. Enter here and on Form 1040 or 1040-SR, line 10, or Form 1040-NR, line 10a             | 26  |  |

Schedule 1 (Form 1040) 2021

Page 2 remains the same as last year  
Educator expenses have increased from \$250 to \$300 (Married educators can claim \$600)

Schedule 1 (Form 1040) 2022

**Part II Adjustments to Income**

|     |  |     |  |
|-----|--|-----|--|
| 11  | Educator expenses  | 11  |  |
| 12  | Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106  | 12  |  |
| 13  | Health savings account deduction. Attach Form 8889   | 13  |  |
| 14  | Moving expenses for members of the Armed Forces. Attach Form 3903  | 14  |  |
| 15  | Deductible part of self-employment tax. Attach Schedule SE   | 15  |  |
| 16  | Self-employed SEP, SIMPLE, and qualified plans   | 16  |  |
| 17  | Self-employed health insurance deduction   | 17  |  |
| 18  | Penalty on early withdrawal of savings   | 18  |  |
| 19a | Alimony paid   | 19a |  |
|     | b Recipient's SSN  |     |  |
|     | c Date of original divorce or separation agreement (see instructions):   |     |  |
| 20  | IRA deduction  | 20  |  |
| 21  | Student loan interest deduction  | 21  |  |
| 22  | Reserved for future use  | 22  |  |
| 23  | Archer MSA deduction   | 23  |  |
| 24  | Other adjustments:   |     |  |
|     | a Jury duty pay (see instructions)   | 24a |  |
|     | b Deductible expenses related to income reported on line 8l from the rental of personal property engaged in for profit                                       | 24b |  |
|     | c Nontaxable amount of the value of Olympic and Paralympic medals and USOC prize money reported on line 8m   | 24c |  |
|     | d Reforestation amortization and expenses  | 24d |  |
|     | e Repayment of supplemental unemployment benefits under the Trade Act of 1974  | 24e |  |
|     | f Contributions to section 501(c)(18)(D) pension plans   | 24f |  |
|     | g Contributions by certain chaplains to section 403(b) plans   | 24g |  |
|     | h Attorney fees and court costs for actions involving certain unlawful discrimination claims (see instructions)  | 24h |  |
|     | i Attorney fees and court costs you paid in connection with an award from the IRS for information you provided that helped the IRS detect tax law violations | 24i |  |
|     | j Housing deduction from Form 2555   | 24j |  |
|     | k Excess deductions of section 67(e) expenses from Schedule K-1 (Form 1041)  | 24k |  |
|     | z Other adjustments. List type and amount:   | 24z |  |
| 25  | Total other adjustments. Add lines 24a through 24z   | 25  |  |
| 26  | Add lines 11 through 23 and 25. These are your adjustments to income. Enter here and on Form 1040 or 1040-SR, line 10, or Form 1040-NR, line 10a             | 26  |  |

# 2022 - Schedule 2

**SCHEDULE 2 (Form 1040) Additional Taxes**  
 Department of the Treasury Internal Revenue Service  
 Attach to Form 1040, 1040-SR, or 1040-NR.  
 Go to [www.irs.gov/Form1040](http://www.irs.gov/Form1040) for instructions and the latest information.

Name(s) shown on Form 1040, 1040-SR, or 1040-NR Your

**Part I Tax**

1 Alternative minimum tax. Attach Form 6251 . . . . .

2 Excess advance premium tax credit repayment. Attach Form 8962 . . . . .

3 Add lines 1 and 2. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 17 . . . . .

**Part II Other Taxes**

4 Self-employment tax. Attach Schedule SE . . . . .

5 Social security and Medicare tax on unreported tip income. Attach Form 4137 . . . . . **5**

6 Uncollected social security and Medicare tax on wages. Attach Form 8919 . . . . . **6**

7 Total additional social security and Medicare tax. Add lines 5 and 6 . . . . .

8 Additional tax on IRAs or other tax-favored accounts. Attach Form 5329 if required. If not required, check here  . . . . .

9 Household employment taxes. Attach Schedule H . . . . .

10 Repayment of first-time homebuyer credit. Attach Form 5405 if required . . . . .

11 Additional Medicare Tax. Attach Form 8959 . . . . .

12 Net investment income tax. Attach Form 8960 . . . . .

13 Uncollected social security and Medicare or RRTA tax on tips or group-term life insurance from Form W-2, box 12 . . . . .

14 Interest on tax due on installment income from the sale of certain residential lot and timeshares . . . . .

15 Interest on the deferred tax on gain from certain installment sales with a sales price over \$150,000 . . . . .

16 Recapture of low-income housing credit. Attach Form 8611 . . . . .

For Paperwork Reduction Act Notice, see your tax return instructions.

**Schedule 2 remains the same as last year and has no changes**

**Part II Other Taxes (continued)**

17 Other additional taxes:

a Recapture of other credits. List type, form number, and amount: **17a**

b Recapture of federal mortgage subsidy, if you sold your home see instructions . . . . . **17b**

c Additional tax on HSA distributions. Attach Form 8889 . . . . . **17c**

d Additional tax on an HSA because you didn't remain an eligible individual. Attach Form 8889 . . . . . **17d**

e Additional tax on Archer MSA distributions. Attach Form 8853 . . . . .

f Additional tax on Medicare Advantage MSA distributions. Attach Form 8853 . . . . . **17f**

g Recapture of a charitable contribution deduction related to a fractional interest in tangible personal property . . . . . **17g**

h Income you received from a nonqualified deferred compensation plan that fails to meet the requirements of section 409A . . . . . **17h**

i Compensation you received from a nonqualified deferred compensation plan described in section 457A . . . . . **17i**

j Section 72(m)(5) excess benefits tax . . . . . **17j**

k Golden parachute payments . . . . . **17k**

l Tax on accumulation distribution of trusts . . . . . **17l**

m Excise tax on insider stock compensation from an expatriated corporation . . . . . **17m**

n Look-back interest under section 167(g) or 460(b) from Form 8697 or 8866 . . . . . **17n**

o Tax on non-effectively connected income for any part of the year you were a nonresident alien from Form 1040-NR . . . . . **17o**

p Any interest from Form 8621, line 16f, relating to distributions from, and dispositions of, stock of a section 1291 fund . . . . . **17p**

q Any interest from Form 8621, line 24 . . . . . **17q**

z Any other taxes. List type and amount: **17z**

18 Total additional taxes. Add lines 17a through 17z . . . . . **18**

19 Reserved for future use . . . . . **19**

20 Section 965 net tax liability installment from Form 965-A . . . . . **20**

21 Add lines 4, 7 through 16, and 18. These are your **total other taxes**. Enter here and on Form 1040 or 1040-SR, line 23, or Form 1040-NR, line 23b . . . . . **21**

# 2022 - Schedule 3

|   |  |  |
|---|--|--|
| <b>SCHEDULE 3</b><br><b>(Form 1040)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small> | <b>Additional Credits and Payments</b><br>Attach to Form 1040, 1040-SR, or 1040-NR.<br>Go to <a href="http://www.irs.gov/Form1040">www.irs.gov/Form1040</a> for instructions and the latest information. | OMB No. 1545-0074<br><b>2022</b><br>Attachment Sequence No. 03 |
|   | Name(s) shown on Form 1040, 1040-SR, or 1040-NR  | Your social security number                                    |

## Part I Nonrefundable Credits

|   |  |    |   |  |
|---|--|----|---|--|
| 1 | Foreign tax credit. Attach Form 1116 if required . . . . .                                       |    | 1 |  |
| 2 | Credit for child and dependent care expenses from Form 2441, line 11. Attach Form 2441 . . . . . |    | 2 |  |
| 3 | Education credits from Form 8863, line 19 . . . . .  |    | 3 |  |
| 4 | Retirement savings contributions credit. Attach Form 8880 . . . . .                              |    | 4 |  |
| 5 | Residential energy credits. Attach Form 5695 . . . . .   |    | 5 |  |
| 6 | Other nonrefundable credits:   |    |   |  |
| a | General business credit. Attach Form 3800 . . . . .  | 6a |   |  |
| b | Credit for prior year minimum tax. Attach Form 8801 . . . . .                                    |    |   |  |
| c | Adoption credit. Attach Form 8839 . . . . .  | 6c |   |  |
| d | Credit for the elderly or disabled. Attach Schedule R . . . . .                                  | 6d |   |  |
| e | Alternative motor vehicle credit. Attach Form 8910 . . . . .                                     | 6e |   |  |
| f | Qualified plug-in motor vehicle credit. Attach Form 8936 . . . . .                               | 6f |   |  |
| g | Mortgage interest credit. Attach Form 8396 . . . . .   | 6g |   |  |
| h | District of Columbia first-time homebuyer credit. Attach Form 8859 . . . . .                     | 6h |   |  |
| i | Qualified electric vehicle credit. Attach Form 8834 . . . . .                                    | 6i |   |  |
| j | Reserved for future use . . . . .  | 6j |   |  |
| k | Credit to holders of tax credit bonds. Attach Form 8912 . . . . .                                | 6k |   |  |
| l | Amount on Form 8978, line 14. See instructions . . . . .   | 6l |   |  |
| z | Other nonrefundable credits. List type and amount: _____   | 6z |   |  |
| 7 | Total other nonrefundable credits. Add lines 6a through 6z . . . . .                             |    | 7 |  |
| 8 | Add lines 1 through 5 and 7. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 20 . . . . . |    | 8 |  |

(continued on page 2)

**Schedule 3 remains the same as last year and has no changes**

## Part II Other Payments and Refundable Credits

|    |   |     |    |  |
|----|---|-----|----|--|
| 9  | Net premium tax credit. Attach Form 8962 . . . . .  |     | 9  |  |
| 10 | Amount paid with request for extension to file (see instructions) . . . . .   |     | 10 |  |
| 11 | Excess social security and tier 1 RRTA tax withheld . . . . .   |     | 11 |  |
| 12 | Credit for federal tax on fuels. Attach Form 4136 . . . . .   |     | 12 |  |
| 13 | Other payments or refundable credits:   |     |    |  |
| a  | Form 2439 . . . . .   | 13a |    |  |
| b  | Credit for qualified sick and family leave wages paid in 2022 from Schedule(s) H for leave taken before April 1, 2021 . . . . .                             | 13b |    |  |
| c  | Reserved for future use . . . . .   |     |    |  |
| d  | Credit for repayment of amounts included in income from earlier years . . . . .   | 13d |    |  |
| e  | Reserved for future use . . . . .   | 13e |    |  |
| f  | Deferred amount of net 965 tax liability (see instructions) . . . . .   |     |    |  |
| g  | Reserved for future use . . . . .   | 13g |    |  |
| h  | Credit for qualified sick and family leave wages paid in 2022 from Schedule(s) H for leave taken after March 31, 2021, and before October 1, 2021 . . . . . | 13h |    |  |
| z  | Other payments or refundable credits. List type and amount: _____   | 13z |    |  |
| 14 | Total other payments or refundable credits. Add lines 13a through 13z . . . . .   |     | 14 |  |
| 15 | Add lines 9 through 12 and 14. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 31 . . . . .  |     | 15 |  |

A white binder with a brown label that says "Tax Law". The binder is lying flat, and the label is centered on the spine. The background is blurred, showing what appears to be a person's hand and some papers.

**Tax Law**

# 2022 Tax Law Changes

Covid Relief Tax Provisions



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# Covid Relief Tax Provisions

**December 27, 2020** – Consolidated Appropriations Act was signed into law, which impacted the 2020 tax return with many retroactive provisions.



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# Covid Relief Tax Provisions

**December 27, 2020** – Consolidated Appropriations Act was signed into law, which impacted the 2020 tax return with many retroactive provisions.

**March 11, 2021** – American Rescue Plan was signed into law, which also retroactively impacted the 2020 tax return and created many new provisions for 2021.



# Covid Relief Tax Provisions

Many (not all) of the provisions in these Covid relief bills **expired on December 31, 2021**, and the tax code has reverted to previous tax provisions for **2022**.



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# Recovery Rebate Credit- Prior Year Comparison

## 2020 Provisions—Claimed on the 2020 tax return

- Advance payments were based on most recent return—2019 (or 2018).
- Maximum Credit for EIP 1 was \$1,200 for Taxpayer (and Spouse on joint return) and \$500 for each child that qualifies for the Child Tax Credit (age 16 or under).
- Maximum Credit for EIP 2 was \$600 for Taxpayer (and Spouse on joint return) and \$600 for each child on the return that qualifies for the Child Tax Credit.
- Income threshold for the credit for EIP 1 and EIP 2 was the following:
  - \$150,000 for MFJ or QW
  - \$112,500 for HOH
  - \$75,000 for Single or MFS
- Taxpayers with income above the threshold amounts had EIP 1 and EIP 2 reduced by an amount equal to 5% of the income above the threshold amounts.
- Taxpayers and Spouse on joint return are required to have a valid Social Security Number in order for any member of the tax family to receive the credit.
- Dependents with a valid social security number receive the credit if the Taxpayer (and Spouse on a joint return) have a valid social security number.

## 2020 Provisions—Claimed on the 2020 tax return

- Advance payments were based on most recent return—2020 (or 2019).
- Maximum Credit is \$1,400 for all members of the tax family (Taxpayer, Spouse and any Dependent) that have a valid Social Security Number.
- Taxpayer (and/or Spouse on a joint return) can have an ITIN and it does not prevent any dependent with a valid Social Security Number from receiving the credit.
- Income threshold to receive the maximum credit in 2021 was the following:
  - \$150,000 for MFJ or QW
  - \$112,500 for HOH
  - \$75,000 for Single or MFS
- Taxpayers with income above the threshold amounts will have the credit reduced proportionately until eliminated when income reaches the following amounts:
  - \$160,000 for MFJ or QW
  - \$120,000 for HOH
  - \$80,000 for Single or MFS
- Taxpayers that received an advance payment based on the information in their prior return (2020 or 2019) are not required to repay any excess.

# Recovery Rebate Credit

**No recovery rebate credits** were authorized in 2022 and the taxpayer cannot claim any Recovery Rebate Credit on the 2022 tax return.



# Earned Income Tax Credit – Married but Separated

Prior to the American Rescue Act, a taxpayer filing **Married Filing Separate** was **not eligible** for any Earned Income Tax Credit.

Now, married but separated taxpayers that do not file a joint return can claim the EITC if a **qualifying child** lives with the taxpayer for more than six months during the year **and** the taxpayer either:

- **Does not have the same principal residence** as their spouse for the last **six months of the year**; or
- **Is under a separation instrument** and does not live in the same household with their spouse at the **end of the year**.

# **Earned Income Tax Credit – Investment Income**

**Taxpayers cannot claim the earned income credit when they have investment income that exceeds an annual limit.**

**In 2021, the investment income limitation was significantly increased to \$10,000.**

- This was a permanent change to EITC, and the \$10,000 amount is adjusted in future years based on the CPI.**
- For 2022, the investment income limitation is \$10,300**
- For 2023, the investment income limitation is \$11,000**



# Earned Income Tax Credit – Age Requirements

**The age requirements were changed for the 2021 tax year:**

- **24** if the taxpayer was a **student** for at least five months of the year
  - **18** if they were in **foster care any time after turning 14** or were **homeless** in any taxable year
  - **19** for all other **non-student** taxpayers
- There was no upper age limit for the credit in 2021.**

**Age requirements have reverted in 2022 to previous limits.**

- In 2022, a Taxpayer without a child must be **at least age 25 but under age 65** at the end of the tax year.



# Earned Income Tax Credit - Maximum Benefit

**The maximum benefit for a taxpayer with no qualifying child was also increased for 2021 but will decrease in 2022.**

- **Maximum benefit for 2022 - \$560 (\$1,502 in 2021)**
- **Maximum AGI a taxpayer could have in 2021 and still receive EITC was \$21,430 (\$27,380 for MFJ)**
- **Maximum AGI a taxpayer can have in 2022 and still receive EITC - \$16,480 (\$22,610 for MFJ)**



# Earned Income Tax Credit – Prior Year Income

In **2020** and **2021**, Taxpayers could use their **2019 Earned Income** to calculate the earned income tax credit if their 2019 earned income was greater than the current (2020 or 2021) tax year amount.

- Taxpayers can no longer use any prior year earned income to calculate EITC
- **Only 2022 earned income will be used to calculate EITC this year.**



# Earned Income Tax Credit – Prior Year Comparison

## 2020 Provisions—Claimed on the 2020 tax return

- The minimum age to collect EITC for a taxpayer without a qualifying child is 25.
- A taxpayer without a qualifying child must be under age 65 to claim EITC.
- Taxpayers claiming EITC in 2020 have the option to use their 2019 earned income to calculate the credit instead of their 2020 earned income, if the 2019 amount is greater than 2020 earned income.
- The maximum investment income that a taxpayer can receive and collect EITC is \$3,650.
- The maximum amount of EITC for a single taxpayer without children is \$543 in 2020.
- The maximum income for a single filer without a qualifying child is \$15,820.
- Taxpayers filing MFS cannot claim the EITC.

## 2021 Provisions—Claimed on the 2021 tax return

- In 2021 the minimum age for a taxpayer without a qualifying child to collect EITC is 19 unless :
  - the taxpayer is a full-time student (age 24) or
  - was in foster care since turning 14 or homeless at any time (age 18).
- For 2021 only, there is no maximum age limit for taxpayers to claim EITC.
- Taxpayers claiming EITC in 2021 have the option to use their 2019 earned income to calculate the credit instead of their 2021 earned income, if the 2019 amount is greater than 2021 earned income. Taxpayers cannot use 2020 earned income to claim the credit.
- The maximum investment income that a taxpayer can receive and still collect EITC is \$10,000 which will be adjusted in future years for inflation.
- The maximum amount of EITC for a single taxpayer without children has been increased to \$1,502 in 2021 and the maximum income for a single filer is \$21,430.
- Taxpayers filing MFS that are separated from their spouse and living apart for the last six months of the year may be eligible for EITC if they have a qualifying child that lived with them for at least six months out of the year.

## 2022 Provisions—Claimed on the 2022 tax return

- The minimum age to collect EITC for a taxpayer without a qualifying child is 25 which is the same as pre-2021 rules.
- A taxpayer without a qualifying child must be under age 65 to claim EITC which is the same as pre-2021 rules.
- Taxpayers claiming EITC in 2022 no longer have the option to use a prior year's earned income to calculate the credit. Taxpayers must use their 2022 earned income to claim the credit.
- The maximum investment income that a taxpayer can receive and still collect EITC is \$10,300 which will be adjusted in future years for inflation.
- The maximum amount of EITC for a single taxpayer without children is \$560 in 2022. This is a significantly lower amount than 2021.
- The maximum income for a single filer without a qualifying child is \$16,480.
- Taxpayers filing MFS that are separated from their spouse and living apart for the last six months of the year may be eligible for EITC if they have a qualifying child that lived with them for at least six months out of the year.

Child  
Tax  
Credit

# 2022 Tax Law Changes

Child Tax Credit



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# Child Tax Credit - 2022

The enhanced Child Tax Credit created under the American Rescue Plan has **expired**, and the Credit **reverts** to the provisions of the Tax Cuts and Jobs Act which means:

- **No more questions on advance payments or having a “principal place of abode for more than half the year in the United States”**
- **Since there were no advance payments in 2022, there is no reconciliation on the 2022 return**



# Child Tax Credit - 2022

Under Tax Cuts and Jobs Act, the refundable amount of the Child Tax Credit adjusts yearly in \$100 increments based on the C-CPI. (The non-refundable CTC of \$2,000 does not adjust.)

Due to inflation since 2018, the refundable amount increases this year to **\$1,500** (up from \$1,400).

*It will increase again in 2023 to \$1,600*



# Child Tax Credit

| 2021 – Child Tax Credit Amounts / Provisions<br>100% Refundable Credit   | 2022 – Child Tax Credit Amounts / Provisions<br>Non-refundable Credit  |
|--|--|
| <p><b>Child Tax Credit Amount</b></p> <ul style="list-style-type: none"> <li>• <b>\$3,600</b> for each qualifying individual under age 6</li> <li>• <b>\$3,000</b> for each qualifying individual ages <b>6 to 17</b></li> <li>• <b>Totally Refundable</b> – no earned income requirement</li> </ul>   | <p><b>Child Tax Credit Amount</b></p> <ul style="list-style-type: none"> <li>• <b>\$2,000</b> for each qualifying individual ages <b>0 to 16</b></li> <li>• <b>\$1,500</b> is refundable</li> </ul>  |
| <p><b>First Phaseout – until the credit is reduced to \$2,000</b></p> <ul style="list-style-type: none"> <li>• AGI more than <b>\$150,000</b> for MFJ</li> <li>• AGI more than <b>\$112,500</b> for HOH</li> <li>• AGI more than <b>\$75,000</b> for all other filing statuses</li> <li>• Credit reduced by 5% for each \$1,000 of income or part thereof that exceeds the limits</li> </ul> | <p><b>Credit Phase-Out – Only One Phaseout in 2022</b></p> <ul style="list-style-type: none"> <li>• AGI more than <b>\$400,000</b> for MFJ</li> <li>• AGI more than <b>\$200,000</b> for all other filing statuses</li> <li>• Credit reduced by 5% for each \$1,000 of income or part thereof that exceeds the limits</li> </ul> |
| <p><b>Second Phaseout</b></p> <ul style="list-style-type: none"> <li>• AGI more than <b>\$400,000</b> for MFJ</li> <li>• AGI more than <b>\$200,000</b> for all other filing statuses</li> <li>• Credit reduced by 5% for each \$1,000 of income or part thereof that exceeds the limits</li> </ul>  | <p><b>Refundable Credit Requirements</b></p> <ul style="list-style-type: none"> <li>• Must have earned income in excess of <b>\$2,500</b></li> <li>• Refundable amount is limited to 15% of the earned income over <b>\$2,500</b></li> <li>• Amount allowed will be calculated on <b>Schedule 8812</b></li> </ul>                |

# Child Tax Credit – Earned Income Requirement

For 2022, the maximum refundable portion of the Child Tax Credit is **\$1,500/child** (it was \$1,400 in 2020 when this provisions was last in effect)

- The calculation is **15% of taxable earned income over \$2,500**

**Example** – Taxpayer has earned income of **\$15,000** and they claim two children ages 6 and 9 on their return. The calculation is **15% of taxable earned income over \$2,500** which is as follows:

|                 |              |
|-----------------|--------------|
| Earned Income   | \$15,000     |
| Less            | <u>2,500</u> |
|                 | \$12,500     |
| Multiply by 15% | <u>x .15</u> |
| Refundable CTC  | \$ 1,875     |



# Child Tax Credit – Puerto Rico

American Rescue Plan **permanently repealed restriction** preventing many Puerto Rican families from claiming any Child Tax Credit.

Previously, residents of Puerto Rico were required to have **three** or more **qualifying children** to claim the credit.

**For 2022 – residents of Puerto Rico have the same eligibility requirements for claiming the Additional Child Tax Credit as Mainland filers.**

Puerto Rico residents must file **1040-PR or 1040-SS** to claim the ACTC and have the same earned income requirements (paid Social Security Taxes, Medicare and/or SE Tax).

Puerto Rico residents have the calculation for the refundable Additional Child Tax Credit of **15% of taxable earned income over \$2,500.**



# 2022 Tax Law Changes

**Child and Dependent Care Credit**



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# Child & Dependent Care Credit – Requirements

**There are four basic requirements for the Child and Dependent Care Credit:**

- Qualifying Person/Child (Child 12 or under or disabled child/spouse)
- Earned Income – If MFJ, both spouses must meet this requirement
- Work-Related Expenses
- Provider Information Must be Reported



# Child & Dependent Care Credit – Requirements

| 2021 – Child Tax Credit Amounts / Provisions<br>100% Refundable Credit   | 2022 – Child Tax Credit Amounts / Provisions<br>Non-refundable Credit   |
|--|---|
| <p><b>Expense Limit</b></p> <ul style="list-style-type: none"> <li>• Cannot exceed <b>\$8,000</b> for one qualifying individual</li> <li>• Cannot exceed <b>\$16,000</b> for more than one qualifying individual</li> </ul>  | <p><b>Expense Limit</b></p> <ul style="list-style-type: none"> <li>• Cannot exceed <b>\$3,000</b> for one qualifying individual</li> <li>• Cannot exceed <b>\$6,000</b> for more than one qualifying individual</li> </ul>                          |
| <p><b>Credit</b></p> <ul style="list-style-type: none"> <li>• <b>50%</b> of expenses</li> <li>• Maximum of <b>\$4,000</b> (\$8,000 x 50%) – one dependent</li> <li>• Maximum of <b>\$8,000</b> (\$16,000 x 50%) – more than one dependent</li> </ul>   | <p><b>Credit</b></p> <ul style="list-style-type: none"> <li>• <b>35%</b> of expenses</li> <li>• Maximum of <b>\$1,050</b> (\$3,000 x 35%) – one dependent</li> <li>• Maximum of <b>\$2,100</b> (\$6,000 x 35%) – more than one dependent</li> </ul> |
| <p><b>Credit Phase-Out</b></p> <ul style="list-style-type: none"> <li>• AGI more than <b>\$125,000</b></li> <li>• Percentage reduced by 1% for each \$2,000 of income until reduced to 20% until AGI is \$400,000. Second phase out from \$400,000 until eliminated at <b>\$438,000</b></li> </ul> | <p><b>Credit Phase-Out</b></p> <ul style="list-style-type: none"> <li>• AGI more than <b>\$15,000</b></li> <li>• Percentage reduced by 1% for each \$2,000 of income until reduced to 20% for AGI greater than <b>\$43,000</b></li> </ul>           |

# Dependent Care Benefits

**Consolidated Appropriations Act allows any unused dependent care amounts from 2020 to be rolled over to 2021 and from 2021 to 2022.**

- Historically, unused Dependent Care funds were forfeited at year-end.
- The age limit of a child for **rolled over Dependent Care funds** is **14** in 2022.
- The age limit for a child using **non-rollover funds** is **12**.

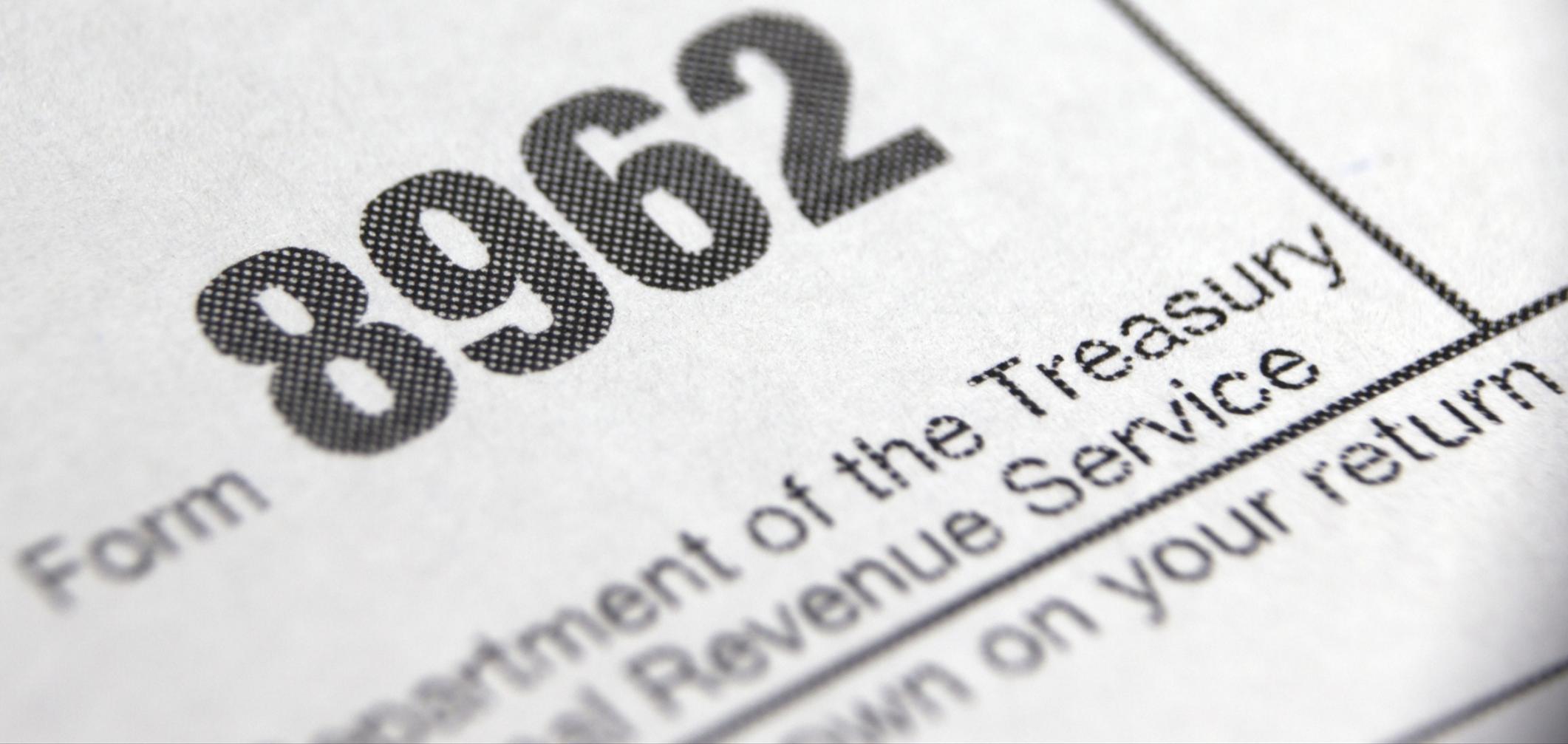


# Dependent Care Benefits

## Requirements for Dependent Care Benefits – Flexible Spending Accounts:

- **Qualifying Person/Child** – same standard as for the Child & Dependent Care Credit
- **Earned Income** – Only the spouse with the DCAP must have earned income





# 2022 Tax Law Changes

**Premium Tax Credit**



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# Premium Tax Credit - Form 8962

**Part of Covid relief, the Premium Tax Credit was enhanced for 2021 and 2022. Inflation Reduction Act extends these provisions by three years (through 2025).**

- **Households with income no higher than 150% of FPL receive a subsidy of 100% of the Second Lowest Cost Silver Plan (SLCSP)**
- **Households between 150% and 400% receive enhanced subsidies**
- **Households above 400% spend no more than 8.5% of their Household Income if they bought the SLCSP**



# Premium Tax Credit - Form 8962

**The American Rescue Plan created a “special rule” regarding PTC eligibility for those who receive unemployment compensation during 2021 only.**

- If someone received unemployment benefits during 2021, their Household Income was treated as being no higher than 150 percent of the FPL.
- **This provision has expired** and individuals receiving unemployment will have their Household Income calculated based on what is entered on the tax return.



Other

Misc

# 2022 Tax Law Changes

Miscellaneous Tax Changes



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# Tax Extenders

## Individual Tax Extenders – All expired as of December 31, 2021

- **Private Mortgage Insurance (PMI)** – no longer available as an itemized deduction
- **Form 8885 – Health Coverage Tax Credit** – this was a credit available to certain taxpayers who were primarily recipients of a pension benefit that was made under the Pension Benefit Guaranty Corporation

## Business Tax Extenders (most reported on Form 3800) – All expired as of December 31, 2021

- Accelerated Depreciations for Property on Indian Reservations
- American Samoa Economic Development Credit
- Indian Employment Tax Credit
- Mine Rescue Team Training Credit
- Three-Year Depreciation for Racehorses

# Meals Deduction

**Consolidated Appropriations Act made certain business meals 100% deductible.**

- Food and Beverages must be purchased from a restaurant and food deliveries will be deductible at 100%
- De minimis fringe benefits like in-office coffee and snacks do not fall into this category of meals and are still only 50% deductible.
- This deduction expires at the **end of 2022.**



# Charitable Deductions & Educator Expenses

The charitable deduction for Individuals taking the Standard Deduction (which in 2021 was \$600 for MFJ and \$300 for all other filing statuses) has **expired** and is not available in 2022.

Educator Expense Deduction—Secondary and elementary educators are allowed an adjustment to income of \$300. Married educators are each eligible for the deduction for a total of \$600.



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# Sick Leave and Family Leave for Self-Employed

The **sick leave** and **family leave** benefits that were claimed on **Form 7202** in both 2020 and 2021 **have expired**.

- **Form 7202 is not used in 2022** and will not be available in any tax program.



# Standard Mileage Rates

## Optional Mileage Rates for 2022 – Business

- January 1 through June 30, 2022 – **58.5** cents per mile
- July 1 through December 31, 2022 – **62.5** cents per mile

## Optional Mileage Rates for 2022 – Medical

- January 1 through June 30, 2022 – **18** cents per mile
- July 1 through December 31, 2022 – **22** cents per mile



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# 2022 Tax Law Changes

Inflation Reduction Act



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# Inflation Reduction Act

On **August 16, 2022**, the Inflation Reduction Act was enacted. This will have **some impact** on **2022** tax returns, but **more impact** on the **2023** returns and beyond.



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# Inflation Reduction Act – Topics

1. IRS Funding – Potential Impact
2. New Taxes
3. New Credits/Tax Expenditures

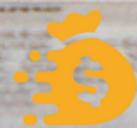


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# 2022 Tax Law Changes

Inflation Reduction Act – IRS Funding

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# IRS Funding

The 2021 IRS operating budget was **\$12.9 Billion**, which represents a 4.3% increase over the 2010 budget of **\$12.4 Billion**.

The IRS was also given **\$765.7 Million** in COVID-19 supplemental funding, which resulted in a **total IRS budget for FY 2021 of \$13.7 Billion**.



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# IRS Funding

**Inflation Reduction Act increases the IRS budget by \$79.6 Billion\* over a ten-year period.** This is approximately a **64%** annual increase over current levels.

| Year     | 2022 | 2023  | 2024  | 2025  | 2026  | 2027  | 2028  | 2029   | 2030   | 2031   | 2022 - 2031 |
|----------|------|-------|-------|-------|-------|-------|-------|--------|--------|--------|-------------|
| Billions | 14   | 5,240 | 4,176 | 5,215 | 6,493 | 7,982 | 9,820 | 11,813 | 14,605 | 21,123 | 79,627      |

\*The exact authorization in the Inflation Reduction Act is \$79,621,533,803. The difference between authorized amount and CBO projected amount shown above is due to rounding.

# IRS Funding Since 2010

| IRS Staff by Function – Full-time | 2010          | 2021          | Difference              |
|-----------------------------------|---------------|---------------|-------------------------|
| Examination and Collections       | 46,667        | 31,300        | <b>(15,367) – 32.9%</b> |
| Filing and Account Services       | 22,877        | 28,114        | <b>5,237 – 22.9%</b>    |
| Information Systems               | 6,774         | 7,095         | <b>321 – 4.7%</b>       |
| Shared Services and Support       | 6,018         | 5,272         | <b>(746) – 12.4%</b>    |
| Taxpayer Assistance               | 6,361         | 4,605         | <b>(1,756) – 27.6%</b>  |
| Regulatory                        | 1,295         | 989           | <b>(306) – 23.6%</b>    |
| Investigations                    | 4,270         | 3,036         | <b>(1,234) – 28.9%</b>  |
| Total IRS Staff                   | <b>94,346</b> | <b>80,411</b> | <b>(13,935) – 14.8%</b> |



# IRS Enforcement Funding

**Some key funding numbers included in the IRA:**

**\$6.7 Billion for Program Enforcement** – To target “the integrity of current tax programs”

**\$4.5 Billion for Core Technology** – To “modernize information technology and improve computer assisted data analytics”

**\$45.6 Billion for Audit / Enforcement** – To allow the IRS to hire enforcement staff in all areas (revenue agents, investigators, attorneys)



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# IRS – Projected Revenue

Congressional Budget Office estimates of additional revenue to be collected due to IRS program and audit enforcement

| Year     | 2022 | 2023  | 2024  | 2025   | 2026   | 2027   | 2028   | 2029   | 2030   | 2031   | 2022 - 2031 |
|----------|------|-------|-------|--------|--------|--------|--------|--------|--------|--------|-------------|
| Billions | 0    | 2,919 | 7,794 | 13,459 | 19,024 | 24,351 | 29,552 | 33,743 | 37,553 | 35,315 | 203,710     |



# IRS Other Key Funding

**Some other key funding numbers included in the IRA:**

**\$3.2 Billion for Taxpayer Services** – To “improve account services, prefilling assistance, and education.”

**\$15 Million** – To “fund a task force that would study the cost and feasibility of creating a **free direct e-file program.**”



# 2022 Tax Law Changes

Inflation Reduction Act – New Taxes

# Inflation Reduction Act – New Taxes

## New Taxes or Extended Tax Provisions

1. The Excess Business Loss (“EBL”) limitations
2. Alternative Corporate Minimum Tax
3. Stock Repurchase Excise Tax
4. Prescription Drug Pricing Negotiation Noncompliance Excise Tax

# Inflation Reduction Act – New Taxes

## Excess Business Losses on Non-Corporate Taxpayers

The Excess Business Loss (“EBL”) limitation went into effect under TCJA for tax years **2018 through 2026** and is reported on **Form 461**.

EBL limits the amount of trade or business deductions that non-corporate taxpayers can use to offset nonbusiness income up to **\$250,000**, (or **\$500,000** for a joint return), with the thresholds indexed for inflation.



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# Inflation Reduction Act – New Taxes

## **Excess Business Losses on Non-Corporate Taxpayers.**

The Excess Business Loss (“EBL”) limitation was suspended retroactively for 2018-2020 under Covid relief but will **return for 2021**.

**Inflation Reduction Act extends this tax provision by 2 years (2027 – 2028)**



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# Inflation Reduction Act – New Taxes

## **Alternative Corporate Minimum Tax.**

Starting in with first tax year beginning in **2023:**

**C Corporations will pay a minimum tax of 15% on the income that is reported to investors.**

*This new tax is the largest revenue generator in the Inflation Reduction Act.*

# Inflation Reduction Act – New Taxes

## Alternative Corporate Minimum Tax –Requirements

1. Only applies to Corporations that report their income to investors (basically SEC regulated).
2. Have reported over a three-year period annual net income in excess of **\$1 billion** (or **\$100 million** for U.S. subsidiaries of foreign parents).
3. Tax is the difference between 15% of the adjusted financial statement income and regular tax calculated after foreign tax credits.



# Inflation Reduction Act – New Taxes

## Alternative Corporate Minimum Tax.

**368 companies** have reported annual average net income in excess \$1 billion (or \$100 million for U.S. subsidiaries of foreign based corporations) for the three-year period of 2018 – 2020.

- **241 paid more** than required 15%
- **127 paid less** than the required 15% rate (ex. – Amazon, FedEx, & Nike)

*CBO estimates that less than 150 companies will be impacted*



# Inflation Reduction Act – New Taxes

## **Excise Tax on Stock Repurchases**

Tax is **1% of the fair market value of the stock** repurchased by publicly traded U.S. Corporations after December 31, 2022, less any stock reissued, sold out Treasury, or repurchased to fund any corporation pension plan or stock option plans.

**This excise tax does not apply to any repurchases of \$1 million or less for the year.**

# Inflation Reduction Act – New Taxes

## **Prescription Drug Pricing Negotiation Noncompliance Excise Tax**

**Starting in 2026** – A new **excise tax will be imposed** on drug manufacturers that fail to enter into drug pricing agreements with Medicare but still sell the drug at a lower cost in the marketplace than what Medicare is charged.

This tax applies to **each sale made during the “noncompliance periods”** and is the difference between the average market price and Medicare’s price.

*CBO expects full compliance from drug companies, and no revenue will be generated from this tax.*



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# **2022 Tax Law Changes**

**Inflation Reduction Act – New Credits / Tax Expenditures**

# Inflation Reduction Act – New Credits

## Residential Energy Credits

The Consolidated Appropriations Act **extended** the non-refundable credits that are claimed on **Form 5695 –**

## Residential Energy Credits

- Residential Energy Efficiency Property Credit (Part I of Form 5695) through **2022**.
- Nonbusiness Energy Property Credit (Part I of Form 5695) through **2021**. – **This credit expired prior to passage of Inflation Reduction Act**

## Residential Energy Credits

**Inflation Reduction Act** extended and expanded the credits currently claimed on **Form 5695 – Residential Energy Credits** through **2034**.

- Residential Energy Efficiency Property Credit is now called **Residential Clean Energy Credit**.
- Non-business Energy Property Credit is now the **Energy Efficient Property Credit**.

# Inflation Reduction Act – New Credits

## Residential Clean Energy Credit –

This is a nonrefundable credit that a taxpayer receives for installing the following systems on their properties:

- Qualifying Solar Electric Systems
- Solar Water Heating Systems
- Wind Energy
- Geothermal Heat Pumps
- Biomass Systems
- Qualified Fuel Cells

## Residential Clean Energy Credit – Changes for 2023 – 2034

**Starting in 2023** – This credit will include expenditures for **Batteries** used to store the electricity generated from these energy producing systems, but it will no longer include Biomass Systems.

- **2023 – 2032** – The credit remains **30%** of the costs of installing these systems
- **2033** – The credit will be **26%**
- **2034** – The credit will be **22%**

# Inflation Reduction Act – New Credits

## Residential Clean Energy Credit – Changes for 2022

The credit is now **30%** (up from **26%** in **2021**) of the costs of installing any of these systems.

There is **no AGI limitation**, and the amount of the credit is **not capped**, except on fuel cells which is limited to \$500 for each one-half kilowatt of capacity of the property.

Any unused credit can be **carried forward** to future years until applied against the taxpayer's income tax liability.

## Energy Efficient Property Credit – Extended for 2022 (Same Rules as 2021)

Non-refundable Credit for energy efficient improvements to the Taxpayer's Main Home.

- Maximum Lifetime Credit of **\$500**
- **10%** of the costs of various items (doors, insulation, windows, roofing)
- Subject to other limits by category (\$200 for windows, \$150 for furnaces, etc.)

# Inflation Reduction Act – New Credits

## Energy Efficient Property Credit – Extended for 2022 (Same Rules as 2021)

Non-refundable Credit for energy  
efficient improvements to the  
Taxpayer's Main Home.

- Maximum Lifetime Credit of **\$500**
- **10%** of the costs of various items (doors, insulation, windows, roofing)
- Subject to other limits by category (\$200 for windows, \$150 for furnaces, etc.)

## Energy Efficient Property Credit – Changes for 2023 - 2032

Starting in **2023**, the credit will  
be equal to **30%** of the costs of  
all eligible home  
improvements made during  
the year.

The \$500 lifetime limit on the  
total credit amount will be  
replaced with a **\$1,200 annual  
limit.**

# Inflation Reduction Act – New Credits

## Energy Efficient Property Credit – Changes for 2023 - 2032

The annual limits for specific types of qualifying improvements will be:

- **\$150** for home energy audits
- **\$250** for any exterior door (\$500 total for all exterior doors) that meet applicable Energy Star requirements
- **\$600** for exterior windows and skylights that meet Energy Star most efficient certification requirements

## Energy Efficient Property Credit – Changes for 2023 - 2032

The annual limits for specific types of qualifying improvements will be:

- **\$600** for other qualified energy property, including air conditioners; electric panels and water heaters and furnaces
- **\$2,000** for heat pump and heat pump water heaters, biomass stoves and boilers.
  - This category of improvement is **not limited by the \$1,200 annual limit** on total credits or the \$600 limit on qualified energy property.

# **Inflation Reduction Act – New Credits**

## **Energy Efficient Property Credit – Changes for 2023 - 2032**

**Starting in 2024** – To claim this credit the Taxpayer will need a Product Identification Number for each product and to include that information on the tax return.

## **Electric Vehicle Credit – Plug-In Vehicles**

This **non-refundable credit** reported on **Form 8936** and any unused portion of the credit cannot be carried forward. This credit has been available since **2011**.

The credit starts at **\$7,500** and the amount of the credit is reduced in stages (\$3,750 - \$1,875) until 200,000 vehicles of each model are sold. Currently no Tesla or GM and only certain Toyotas qualify for the credit, since over 200,000 of these models have been sold.

# Inflation Reduction Act – New Credits

## Electric Vehicle Credit for 2022

Effective August 16, 2022, this credit has been modified and impacts the 2022 tax return.

For vehicles sold **on or before August 16<sup>th</sup>** the requirements will remain the same as before.

For vehicles sold **after August 16<sup>th</sup>** an **additional requirement** is the **final assembly** of the vehicle must have occurred in North America, which will impact EV's coming from Germany, Japan and Korea.

# Inflation Reduction Act – New Credits

## Electric Vehicle Credit for 2023

1. The final assembly of the vehicle must occur in **North America**.
2. The 200,000 quotas have been eliminated – making models manufactured by **GM, Tesla and Toyota eligible**.
3. The credit is now limited to Taxpayers with income threshold of **\$150,000** for a single filing taxpayer, **\$225,000** for HOH and **\$300,000** for joint filers.
4. The credit is only available on vehicles with a manufacturer suggested retail price of **\$55,000** for new cars and **\$80,000** for pickup trucks, SUVs, and vans



# **Inflation Reduction Act – New Credits**

## **Electric Vehicle Credit for 2023 – Used Vehicles**

- 1. Used Electric Vehicles will be eligible for a credit of 30% of sales price up to a maximum of \$4,000**
- 2. Vehicle must be at least two years old and have eligible VIN.**
- 3. Vehicle must be sold through a dealer – no private sales.**
- 4. The credit is only available on vehicles sold for \$25,000 or less.**
- 5. Taxpayer's income level must be no greater than \$75,000 for single filers, \$112,500 for HOH, and \$150,000 for joint filers.**
- 6. No credit was previously claimed for the vehicle's VIN**



# Inflation Reduction Act – New Credits

## Electric Vehicle Credit for 2024 through 2032

1. Starting in **2024** at least **40% of the battery components** must come from North America or specified US Trading Partners. This rises to 100% by 2029.
2. The credit can be **advanced at the point of sale** and paid directly to the seller.
3. The credit will need to be reconciled on the tax return as a non-refundable credit. Any **excess advance credit will need to be repaid** (like Advance Premium Tax Credits is currently reconciled).

# Inflation Reduction Act – New Credits

## Alternative Fuel Refueling Property Credit

This nonrefundable credit is claimed on **Form 8911** and was set to expire December 31, 2021, but has been extended through **2032**.

- For **2022**, the credit is **30% of the cost of installing charging stations** up to a maximum credit of **\$30,000** for a business and **\$1,000** for home use.

## Alternative Fuel Refueling Property Credit

This nonrefundable credit is claimed on **Form 8911** and was set to expire **December 31, 2021** but has been extended through **2032**.

- Starting in **2023**, more types of charging devices will be eligible for the credit
- Credit remains **30% of the cost of charging stations** up to a maximum credit of **\$100,000** for business and **\$1,000** for home.

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