

Projected State and Local Income Tax Refund Worksheet For 2018

This amount will carry to next year's screen 3.

(Keep for your records)

2017

Name(s) as shown on return

Tax ID Number

Worksheet 1 - 2017 Schedule A worksheet as filed

- 1a. Enter the total amount from Schedule A, line 5 1a. _____
- 1b. Enter the amount from Schedule A, line 5, that does not affect the federal income tax calculation if the taxpayer has a state refund and is subject to AMT 1b. _____
- 1c. Subtract line 1b from line 1. This is the maximum amount from Schedule A, line 5, that can be taxable on next year's tax return per the Tax Benefit Rule 1c. _____
- 2. Multiply line 1 by 80% (.80) 2. _____
- 3. Enter the amount from 1040, line 38 3. _____
- 4. Enter: \$311,300(MFJ) / \$285,350(HOH) / \$259,400(S) / \$155,650(MFS) 4. _____
- 5. Subtract line 4 from line 3 5. _____
- 6. Multiply line 5 by 3% (.03) 6. _____
- 7. Enter the smaller of line 2 or line 6 7. _____
- 8. Total state and local taxes deducted on 2017 return. Subtract line 7 from line 1 8. _____

Worksheet 2 - 2017 Schedule A worksheet recomputed using original Schedule A line 5 less state refunds

- 1. Enter the total state taxes actually paid in 2017 (line 1 above less state refund that will be received on 2018 Form 1099-G) 1. _____
- 2. Multiply line 1 by 80% (.80) 2. _____
- 3. Enter the amount from 1040, line 38 3. _____
- 4. Enter: \$311,300(MFJ) / \$285,350(HOH) / \$259,400(S) / \$155,650(MFS) 4. _____
- 5. Subtract line 4 from line 3 5. _____
- 6. Multiply line 5 by 3% (.03) 6. _____
- 7. Enter the smaller of line 2 or line 6 7. _____
- 8. Total state and local taxes that would have been deducted if Schedule A line 5 reflected only the portion of the total state and local taxes paid that were due. Subtract line 7 from line 1 8. _____

Worksheet 3 - Difference

- 1. Enter the amount from line 8, worksheet 1 above 1. _____
- 2. Enter the amount from line 8, worksheet 2 above 2. _____
- 3. Subtract line 2 from line 1. This is the **maximum** amount of the total refund that is taxable in 2018 3. _____

If line 3 is -0- or less, **STOP**. None of your state refund is taxable.
If line 3 is greater than -0-, complete worksheet 4 below to determine how much of your state refund is taxable.

Worksheet 4 - State and Local Income Tax Refund Worksheet

- 1. Enter the amount from line 3, worksheet 3 above 1. _____
- 2. Enter your total allowable itemized deductions from your 2017 Schedule A line 29 2. _____
- Note.** If your 2017 filing status was MFS and your spouse itemized deductions in 2017, skip lines 3, 4, and 5, and enter the amount from line 2 on line 6 below.
- 3. Enter the amount shown below for the filing status claimed on your 2017 Form 1040.
Enter: \$6,300(S) / \$12,600(MFJ) / \$6,300(MFS) / \$9,300(HOH) 3. _____
- 4. Did you fill in line 39a on your 2017 Form 1040?
No. Enter -0-.
Yes. Multiply the number in the box on line 39a of your 2017 Form 1040 by:
 \$1,250 if your 2017 filing status was MFJ or MFS or QW;
 \$1,550 if your 2017 filing status was single or HOH 4. _____
- 5. Add lines 3 and 4 5. _____
- 6. Is the amount on line 5 less than the amount on line 2?
No. STOP None of your refund is taxable.
Yes. Subtract line 5 from line 2 6. _____
- 7. Enter the smaller of line 1 or line 6 7. _____
- 8. Taxable income for 2017 8. _____
- 9. Taxable part of your refund. If line 8 is zero or more, enter the amount from line 7. If line 8 is less than zero, add lines 7 and 8, and enter the result but not less than zero 9. _____

Worksheet 5 - State and Local Income Tax and General State Sales Tax Computation

- 1. 2017 State Income Tax Deduction from Schedule A, Line 5 1. _____
- 2. 2017 State General Sales Tax Deduction not taken on Schedule A, Line 5 2. _____
- 3. Difference 3. _____
- 4. Taxable part of your refund from line 9 of worksheet 4 4. _____
- 5. Lesser of line 3 or 4, this is the maximum taxable portion of your state refund 5. _____