

MA Income Adjustments

Enter here in TaxSlayer

Sum of all MA bank interest		Additions to Income
Sum of all pensions that are tax-exempt in MA (including RR Tier II) – enter taxable amounts only		Income Subject to Tax Exempt Pensions and Annuities – <i>enter as a negative number</i>
Sum of interest and dividends not taxed in MA (e.g., savings bonds and MA municipal bond interest)		Income Subject to Tax Schedule B (include amount <u>and</u> description)
Cost of winning MA lottery tickets		Income Subject to Tax Massachusetts Lottery Winning
Adjustment for non-deductible IRA contributions from IRS Form 8606		Additions to Income Taxable IRA Keogh Worksheet

Capital Gains

Enter here in TaxSlayer

Short-term MA carryover losses		Income Subject to Tax Schedule B – <i>enter as a negative number</i>
Long-term MA carryover losses		Income Subject to Tax Schedule D - <i>enter as a negative number</i>

MA Unique Deductions/Credits

Enter here in TaxSlayer

Total rent paid in 2020 (subsidized or not)		Other Deductions and Schedule CB if 65+ and not subsidized
Dependent care expenses paid (See MA Resource Guide and Form 1 instructions for lines 12 and 13)		Other Deductions
College tuition and fees paid for a qualifying two- or four-year college (see Form 1 restrictions)		Other Deductions
Amount to adjust retirement deduction of mandatory pension contributions for federal, state, and municipal employees (found on W-2 box 14 /may be labeled RET or PENS)		Deductions – <i>but not more than \$2000 per person</i> Code –Ret (not in box 12) do not carry to Form 8880 or Other
Deductible amount of qualified contributory pension income from another state (see MA Manual Appendix A)		Deductions
Amount of student loan interest that is for undergraduate studies. ONLY enter an amount here if you were disallowed part of your student loan interest on your federal return (amount exceeding \$2500)		Deductions
Amount paid for EZ-Pass tolls and MBTA passes (must be greater than \$150)		Deductions
Gambling losses from Plainridge, MGM Springfield, and Encore Boston Harbor only – up to amount of winnings		Deductions
Amount paid to pre-paid tuition program or college savings program (MEFA)		Deductions

Senior Circuit Breaker

Credits Senior Circuit Breaker – Schedule CB

Total rent paid in 2020 (not subsidized)		
Name/Address of landlord		
Assessed value of home		
Total real estate taxes paid in 2020		
Half of water and sewer bills paid in 2020		
Miscellaneous Income, including cash public assistance (from intake)		Miscellaneous Income
Difference between gross and taxable distributions for all pensions		Additions/Subtractions to Pensions and Annuities Not Taxed in MA
Amount of CB Credit (look at Schedule CB)		Custom Credits

Taxable IRA Distribution Worksheet (from MA Form 1 Instructions for Schedule X, Line 2)

Since Massachusetts does not allow a deduction for amounts originally contributed to an IRA or Keogh, the distributions are not taxable until the full amount of the contributions which were previously subject to Massachusetts taxes are recovered. Once the distributions exceed the taxed contributions, all future distributions are taxable. Note: Contributions from a deferred plan, such as a 401(K), rolled over into an IRA are considered pre-tax contributions and are fully taxable in MA when distributed.

Massachusetts tax law requires a separate calculation for the taxpayer and spouse to determine how much of each of the IRA distributions is taxable. TaxSlayer will calculate the amount that is taxable, but you should use the following worksheet to calculate the remaining contributions available for distribution MA tax-free for subsequent years.

Taxable IRA Distributions

	Taxpayer	Spouse
1. Total contributions taxed previously by Massachusetts.		
2. Total distributions received in previous years.		
3. Remaining contributions available for distribution MA tax-free (Line 1 - Line 2)		
4. Total distributions received in TY2020.		
5. Smaller of Line 3 and Line 4.		
6. Total distributions received to date. Line 2 + Line 5.*		

In the State Section, Additions to Income screen, click on the Edit box to the right of the Taxable IRA/Keogh and Roth IRA Conversion Distributions Worksheet line and enter the amounts from lines 1 and 2 into the TaxSlayer worksheet.

These amounts from line 6 will be used next year for the TY2021 return as “Total distributions received in previous years.”

* Once line 6 is greater than or equal to line 1, the taxpayer or spouse has exhausted his/her contributions and all future distributions will be fully taxable in Massachusetts.

Important Note: TaxSlayer has a built-in calculator, but the worksheet will not print unless Schedule X is a part of the return – this can happen if none of the distributions are taxable. This leaves no record of what distributions have been taken and what is still left.