

Massachusetts Adaptations for 2017 NTTC Problem Workbook

9 November 2017

Before doing any returns from the NTTC Workbook, read the instructions on page ii and iii of the Workbook to understand if any adjustments are needed for using 2016 Practice Lab software. Also, remember that benefits that expired at the end of calendar year 2016 are still effect when using 2016 software. Not accounting for these adjustments can result in your answers being different than the official NTTC 2016 answer key for the Federal portion of your return.

Massachusetts adjustments are described for 14 practice returns. No adjustments are proposed for Vincent, Wright and Young. Some returns that require a Schedule A itemization of deductions ask that we use another state's state and local sales tax percentages (for example, North Carolina). Make sure you follow those instructions in order to ensure your results match the Federal answer key, even though we are preparing full-year resident returns for Massachusetts. Also remember that 2016 was a leap year, so there were 366 days in 2016; 366 has to be used for the General Sales Tax Calculation. Any comments or questions about these adjustments should be submitted through the website.

Brent

Payton Bank is not a Mass bank. The tax exempt interest in Box 8 of the 1099-INT is from non-Massachusetts municipal bonds.

Medical insurance for Brent is provided by Hospital Insurance Co; FEIN: 04-2222222. Her subscriber number is 123454556

Clark

First United Bank is a Mass Bank (make address your ZIP)

Medical insurance for Jeremy and his two sons is provided by Acme Medical Insurance, FEIN: 06-4242423. His subscriber number is 1818181844

For Mass, assume the following for Janice to determine answers for affordability questions, since she has no medical insurance: Her employer did not offer insurance and the Clarks live in Region 2. How to determine answers to the affordability questions is described in the Schedule HC instructions in the 2016 Form 1 Instruction booklet. The HC instructions can also be found at <http://www.mass.gov/dor/docs/dor/health-care/2016/hc-instructions.pdf>.

Daniels

Tompkins Financial Services is not a Mass bank. Tax exempt interest on the 1099-INT is from a municipal bond fund that only invests in Mass municipal bonds.

The Daniels' medical insurance is provided through Blue Cross Blue Shield; FEIN: 06-0000091. James' subscriber number is 12345678 and Annette's is 87654321.

Moore

Beacon Bank does business in Massachusetts.

The Mass long-term carryover loss is the same as the Federal.

Joanne's insurance is from Jefferson Memorial Insurance Co. FEIN is 04-8222222. Her subscriber number is 8912345.

Corey's scholarship paid his full tuition; the additional charges were for other required fees.

Quincy

Arches-Starling Bank is not a Mass bank

Boxer Investment Services IRA was funded by her 401(k) rollover

She lives in an apartment and pays \$800 per month. Her landlord is Ace Realty, 16 North Rd, Your Town/City, MA, Your Zip.

Reed

King Insulation provides medical insurance through Blue Cross Blue Shield; FEIN: 06-0000091; John's subscriber number is 16567-1 and Elizabeth's is 16567-2.

Stanley

Lamar Bank has offices in Massachusetts

Jessica rents her apartment and pays \$1050 a month to Orange Holding Co, 1515 Sycamore St, Boston, MA 02114

Her medical insurance from her employer comes from Aetna Insurance, 06-6033492 and her subscriber number is 12345678

Archer

Peoples Federal Bank is a Mass Bank (make address your ZIP)

Also see Workbook Errata on OSHC for NTTC Workbook which provides a training opportunity. The errata should not affect the results of the return.

Gail's employer provides health insurance through Tufts Associated Health, FEIN 042674079 and her subscriber number 189462888

Gail shares an apartment with a friend and they split the rent of \$2000 per month. She sends her rent to Urban Realty Company, PO Box 815, Framingham, MA 01703.

Meadows

Marshland National Bank has offices in Massachusetts

Albert made prior contributions to his IRA by payroll deduction while a Mass resident. His total contribution was \$14,000. His first withdrawal was in 2015 for \$ 3,500. Assume the Form 8606 is from his 2015 return.

The Meadows' insurance was bought from Tufts Public Health, FEIN 800721489 through the Mass Health Connector. Albert's subscriber number is 14235-1 and Lois' is 14235-2.

Miller

James gets his medical insurance from Blue Cross Blue Shield; FEIN: 06-0000091 and his subscriber number is 16589231.

Parsons

The tax exempt interest from ABC Brokerage is from a Mass municipal bond fund that only invests in Massachusetts bonds.

Ben's sheriff pension from Maine should be treated as an out-of-state government pension. See Appendix A, Pensions, in the Mass Manual for the reciprocal agreement between Mass and Maine. Also, the Mass Manual describes how to enter an out-of-state government pension on page 8.

See if the Parsons qualify for the Senior Circuit Breaker Credit. Their house has an assessed value on 1 Jan 2016 of \$310,000 and they have a well and septic system.

Thompson

Mass LT Cap Loss carryover is the same as the Federal.

Harris Trust IRA was funded by a 401(k) rollover

Tax Exempt Interest from Alvin Bond Funds is Tax Exempt Federal only (as stated)

Yvonne's health insurance from her employer is from Aetna Insurance, FEIN 066033492 and her subscriber number is 165648921

Wells

Federal LT and ST Cap Loss carryover figures are the same for Massachusetts

The tax-exempt interest from Vanguard is from a municipal bond fund that holds no bonds in Mass.

Elena's IRA was funded from a 401(k) rollover

Yale

Vincennes Federal Credit Union has no offices in Massachusetts. The tax exempt interest is from non-Mass municipal bonds only.

Change Thomas' police pension from Columbus Ohio to your town, MA, your zip, so it is handled as a Mass municipal pension on the Mass return.

Hastings Investments IRA was funded by Gail while a Mass resident by payroll deduction. She does not have a record of her contributions but tells you she made the maximum allowed contributions starting at age 30 (in 1995) and catch-up contributions when reaching age 50. However, she was only able to contribute \$2,000 this year (2016).

Gail's and Thomas' insurance is provided by Harvard Pilgrim, FEIN 042452600. Her subscriber number is 456789123 and Thomas' is 321987654. NOTE: Thomas also has Medicare with Harvard Pilgrim as a supplemental. Enter either Medicare or the Harvard-Pilgrim policy but not both. Entering both will result in a Mass e-file rejection.