

2010 Schedule HC Worksheets and Tables

Below are the necessary worksheets you may need to complete your 2010 Schedule HC. Retain these worksheets for your records. Do not submit these with your tax return.

Schedule HC Worksheet for Line 6: Federal Poverty Level

1. Enter your federal adjusted gross income from Schedule HC, line 2 **1**
2. Enter the income amount that corresponds to your family size (as entered on Schedule HC, line 1c) from the 150% FPL column from Table 1 **2**

If line 1 is less than or equal to line 2, your income in 2010 was at or below 150% of the Federal Poverty Level and the penalty does not apply to you in 2010. Fill in the Yes oval in line 6 of Schedule HC, skip the remainder of Schedule HC and continue completing your tax return.

If line 1 is greater than line 2, your income in 2010 was above 150% of the Federal Poverty Level. Fill in the No oval in line 6 of Schedule HC and go to line 7 of Schedule HC.

Schedule HC Worksheet for Line 10: Eligibility for Employer-Sponsored Insurance That Met Minimum Creditable Coverage

The following worksheet will determine if you could have afforded employer-sponsored health insurance that met Minimum Creditable Coverage in 2010 (the employer's Human Resources Department should be able to provide this information to you). Complete only if you (and/or your spouse if married filing jointly) were eligible for insurance that met Minimum Creditable Coverage offered by an employer for the entire period you were uninsured in 2010 that covered you, and your spouse and dependent children, if any. If an employer did not offer health insurance that met Minimum Creditable Coverage that covered you, and your spouse and dependent children, if any, or if you were not eligible for insurance that met Minimum Creditable Coverage offered by an employer, you were self-employed or you were unemployed, fill in the No oval(s) in line 10 of Schedule HC and complete the Schedule HC Worksheet for Line 11 on page WS-2.

Note: If you answered Yes in line 6 of Schedule HC indicating that your income was at or below 150% of the Federal Poverty Level or you had three or fewer blank ovals in a row during the period that the mandate applied on line 7 of Schedule HC, the penalty does not apply to you. Do not complete this worksheet. Skip the remainder of Schedule HC and continue completing your return. Be sure to enclose Schedule HC with your return.

If an employer offered you free health insurance coverage in 2010 that met Minimum Creditable Coverage (the employer's Human Resources Department should be able to provide this information to you), you are deemed able to afford health insurance and are subject to a penalty. Fill in the Yes oval(s) in line 10 of Schedule HC and go to the Health Care Penalty Worksheet on page WS-4.

1. Enter your federal adjusted gross income from U.S. Form 1040, line 37; Form 1040A, line 21; or 1040EZ, line 4 **1**

If line 1 is less than or equal to: \$16,248 if single or married filing separately with no dependents; \$21,864 if married filing jointly with no dependents or head of household/married filing separately with one dependent; or \$27,468 if married filing jointly with one or more dependents or head of household/married filing separately with two or more dependents, you are deemed unable to afford employer-sponsored health insurance that met Minimum Creditable Coverage requiring an employee contribution. Fill in the No oval(s) in line 10 of Schedule HC. Skip the remainder of this worksheet and go to the Schedule HC Worksheet for Line 11 on page WS-2.

If line 1 is more than: \$54,600 if single or married filing separately with no dependents; \$85,800 if married filing jointly with no dependents or head of household/married filing separately with one dependent; or \$114,400 if married filing jointly with one or more dependents or head of household/married filing separately with two or more dependents, you are deemed able to afford employer-sponsored health insurance that met Minimum Creditable Coverage and are subject to a penalty. Fill in the Yes oval(s) in line 10 of Schedule HC and go to the Health Care Penalty Worksheet on page WS-4.

If line 1 is more than: \$16,248 but less than or equal to \$54,600 if single or married filing separately with no dependents; \$21,864 but less than or equal to \$85,800 if married filing jointly with no dependents or head of household/married filing separately with one dependent; or \$27,468 but less than or equal to \$114,400 if married filing jointly with one or more dependents or head of household/married filing separately with two or more dependents, **go to line 2.**

2. Enter the monthly premium that corresponds with your income range (from line 1 of worksheet) and filing status from Table 3: Affordability on page WS-3. To find this amount, look at the row for your income range in col. a of the appropriate table based on your filing status and go to col. b to find the monthly premium amount. **2**

3. Enter the lowest monthly premium cost of health insurance that would cover you, and your spouse and dependent children, if any, offered to you during your uninsured period in 2010 through an employer. The employer's Human Resources Department should be able to provide this amount to you **3**

Note: If you declined employer-sponsored health insurance that met Minimum Creditable Coverage, the monthly premium amount may be found on the Health Insurance Responsibility Disclosure Form (HIRD) you should have received from your employer.

If line 3 is less than or equal to line 2: you are deemed able to afford employer-sponsored health insurance that met Minimum Creditable Coverage during your uninsured period(s), which you did not obtain, and you are subject to a penalty. Fill in the Yes oval(s) in line 10 of Schedule HC, and go to the Health Care Penalty Worksheet on page WS-4.

If line 3 is greater than line 2: you could not afford health insurance that met Minimum Creditable Coverage offered to you by your employer, fill in the No oval(s) in line 10 of Schedule HC, and complete the following Schedule HC Worksheet for Line 11 on page WS-2.

Table 1: Federal Poverty Level, Annual Income Standards

Family size*	150% FPL
1	\$16,248
2	\$21,864
3	\$27,468
4	\$33,084
5	\$38,688
6	\$44,304
7	\$49,908
8	\$55,524
additional	+\$ 5,616

***This schedule reflects the Federal Poverty Level standards for 2010.**

Schedule HC Worksheet for Line 11: Eligibility for Government-Subsidized Health Insurance

The following worksheet will determine if you were eligible for government-subsidized health insurance in 2010. Complete the following worksheet only if an employer did not offer you affordable health insurance that met Minimum Creditable Coverage requirements, as determined in the Schedule HC Worksheet for Line 10.

Note: If you answered Yes in line 6 of Schedule HC indicating that your income was at or below 150% of the Federal Poverty Level or you had three or fewer blank ovals in a row during the period that the mandate applied on line 7 of Schedule HC, the penalty does not apply to you. Do not complete this worksheet. Skip the remainder of Schedule HC and continue completing your return. Be sure to enclose Schedule HC with your return.

If married filing separately and living in the same household, each spouse must combine their income figures from their separate U.S. returns when completing this worksheet. Also, same-sex spouses filing a Massachusetts joint return or married filing separately and living in the same household must combine their income figures from their separate U.S. returns when completing this worksheet.

- 1. Enter your income before adjustments (from U.S. Form 1040, line 22, Form 1040A, line 15 or Form 1040EZ, line 4) **1**
- 2. Enter the amount from the Income column, based on your family size (do not include dependent children age 19 or older in your family size), from Table 2 **2**

If line 1 is greater than line 2: you were ineligible for government-subsidized health insurance in 2010 and must fill in the No oval(s) in line 11 of Schedule HC, and go to Schedule HC Worksheet for Line 12 to determine if you were deemed able to afford private health insurance.

If line 1 is less than or equal to line 2, and at any point during the period when you were uninsured: you were not a citizen or an alien legally residing in the U.S., or you are an alien with special status (legally residing in the U.S. for less than five years) but were not eligible for Commonwealth Care Bridge, including if you lived in a geographic area where Commonwealth Care Bridge was not available in 2010, or an employer offered to pay more than 20% of a family plan or 33% of an individual plan (the employer's Human Resources Department should be able to provide this information to you), or you applied for MassHealth or Commonwealth Care and were denied because you were ineligible for services, **you are deemed ineligible for government-subsidized health insurance in 2010.** Fill in the No oval(s) in line 11 of Schedule HC, and go to Schedule HC Worksheet for Line 12 to determine if you were able to afford private health insurance.

If line 1 is less than or equal to line 2, and none of the above conditions apply, you would have been deemed eligible for government-subsidized health insurance in 2010, which you did not obtain and you are subject to a penalty. Fill in the Yes oval(s) in line 11 of Schedule HC and go to the Health Care Penalty Worksheet on page WS-4.

Note: If line 1 is less than or equal to line 2, but you believe that, during the period when you were uninsured, your income was actually too high to qualify for government-subsidized insurance, you may have grounds to appeal the penalty. Fill in the Yes oval(s) in line 11 of Schedule HC and go to the instructions for the Appeals section. These instructions are available online at www.mass.gov/dor.

Table 2: Income at 300% of the Federal Poverty Level

Family size*	Income
1	\$ 32,496
2	\$ 43,716
3	\$ 54,936
4	\$ 66,156
5	\$ 77,376
6	\$ 88,596
7	\$ 99,816
8	\$111,036
9	\$122,256
10	\$133,476
11	\$144,696
12	\$155,916
13	\$167,136

***Include only yourself, your spouse (if married filing a joint return) and any dependent children age 18 or younger in your family size. For family size over 13, add \$11,220 for each additional family member.**

Schedule HC Worksheet for Line 12: Ability to Afford Private Health Insurance That Met Minimum Creditable Coverage

The following worksheet will determine if you could have afforded private health insurance that met Minimum Creditable Coverage in 2010. Complete the following worksheet only if you (and/or your spouse if married filing jointly) were deemed ineligible for government-subsidized health insurance, as determined in the Schedule HC Worksheet for line 11.

Note: If you answered Yes in line 6 of Schedule HC indicating that your income was at or below 150% of the Federal Poverty Level or you had three or fewer blank ovals in a row during the period that the mandate applied in line 7 of Schedule HC, the penalty does not apply to you. Do not complete this worksheet. Skip the remainder of Schedule HC and continue completing your return. Be sure to enclose Schedule HC with your return.

- 1. Enter your federal adjusted gross income from U.S. Form 1040, line 37; Form 1040A, line 21; or 1040EZ, line 4 **1**
- 2. Enter the monthly premium that corresponds with your county of residency, age (if married filing a joint return, use the age of the older spouse) and filing status from Table 4: Premiums on page WS-3 **2**
- 3. Enter the monthly premium that corresponds with your income range (from line 1 of worksheet) and filing status from Table 3: Affordability on page WS-3. To find this amount, look at the row for your income range in col. a of the appropriate table based on your filing status and go to col. b to find the monthly premium amount. **3**

If line 2 is less than or equal to line 3: you are deemed able to afford private health insurance that met Minimum Creditable Coverage, which you did not obtain; you are subject to a penalty and you must fill in the Yes oval(s) in line 12 of Schedule HC and go to the Health Care Penalty Worksheet on page WS-4.

If line 2 is greater than line 3: you are deemed unable to afford health insurance that met Minimum Creditable Coverage and not subject to a penalty, and you must fill in the No oval(s) in line 12 of Schedule HC and skip the remainder of Schedule HC and continue completing your tax return. Be sure to enclose Schedule HC with your return.

Table 3: Affordability

Individual or Married Filing Separately (no dependents)		
a. Federal adjusted gross income		b. Monthly premium
From	To	
\$ 0	\$16,248	\$ 0
\$16,249	\$21,660	\$ 39
\$21,661	\$27,084	\$ 77
\$27,085	\$32,496	\$116
\$32,497	\$39,000	\$175
\$39,001	\$44,200	\$235
\$44,201	\$54,600	\$354
\$54,601	Any individual with an annual income over \$54,600 is deemed to be able to afford health insurance.	

Married Filing Jointly with no dependents or Head of Household/ Married Filing Separately with one dependent		
a. Federal adjusted gross income		b. Monthly premium
From	To	
\$ 0	\$21,864	\$ 0
\$21,865	\$29,148	\$ 78
\$29,149	\$36,432	\$154
\$36,433	\$43,716	\$232
\$43,717	\$54,600	\$315
\$54,601	\$65,000	\$422
\$65,001	\$85,800	\$589
\$85,801	Any couple with an annual income over \$85,800 is deemed to be able to afford health insurance.	

Married Filing Jointly with one or more dependents or Head of Household/ Married Filing Separately with two or more dependents		
a. Federal adjusted gross income		b. Monthly premium
From	To	
\$ 0	\$ 27,468	\$ 0
\$27,469	\$ 36,624	\$ 78
\$36,625	\$ 45,780	\$154
\$45,781	\$ 54,936	\$232
\$54,937	\$ 72,800	\$373
\$72,801	\$ 93,600	\$586
\$93,601	\$114,400	\$849
\$114,401	Any family with an annual income over \$114,400 is deemed to be able to afford health insurance.	

Table 4: Premiums

Region 1. Berkshire, Franklin and Hampshire Counties			
Age	Individual¹	Married couple² (no dependents)	Family³
0–26	\$124	\$248	\$ 732
27–29	\$206	\$412	\$ 732
30–34	\$206	\$412	\$ 760
35–39	\$218	\$436	\$ 774
40–44	\$250	\$500	\$ 774
45–49	\$280	\$560	\$ 834
50–54	\$372	\$744	\$ 910
55+	\$412	\$824	\$1,066

Region 2. Bristol, Essex, Hampden, Middlesex, Norfolk, Suffolk and Worcester Counties			
Age	Individual¹	Married couple² (no dependents)	Family³
0–26	\$156	\$312	\$ 672
27–29	\$223	\$446	\$ 672
30–34	\$224	\$448	\$ 774
35–39	\$227	\$454	\$ 788
40–44	\$259	\$518	\$ 788
45–49	\$285	\$570	\$ 850
50–54	\$338	\$676	\$ 927
55+	\$445	\$890	\$1,085

Region 3. Barnstable, Dukes, Nantucket and Plymouth Counties			
Age	Individual¹	Married couple² (no dependents)	Family³
0–26	\$153	\$306	\$ 662
27–29	\$214	\$428	\$ 662
30–34	\$216	\$432	\$ 835
35–39	\$216	\$432	\$ 863
40–44	\$271	\$542	\$ 874
45–49	\$271	\$542	\$ 906
50–54	\$321	\$642	\$1,030
55+	\$427	\$854	\$1,280

1. Includes married filing separately (no dependents).
2. Rates for a married couple are based on the combined monthly premium cost of individual plans for each spouse, rather than the cost of a two-person (or self plus spouse) plan.
3. Head of household or married couple with dependent(s).

Health Care Penalty Worksheet

Complete the following worksheet to calculate the penalty. If married filing a joint return and both you and your spouse are subject to a penalty, separate worksheets must be filled out to calculate the separate penalty amounts for you and your spouse, using your married filing jointly income. Each separate penalty amount must then be entered on Form 1, line 34a and line 34b or Form 1-NR/PY, line 39a and line 39b.

Note: If you answered Yes in line 6 of Schedule HC indicating that your income was at or below 150% of the Federal Poverty Level, the penalty does not apply to you. Do not complete this worksheet. Skip the remainder of Schedule HC and continue completing your tax return.

1. Enter your federal adjusted gross income from Schedule HC, line 2 **1**
2. Look at Table 5, Annual Income Standards, and enter col. A, B, C or D, based on your family size (from line 1c of Schedule HC) and income (from line 1 above) **2**
3. Based on the column entered in line 2, go to Table 6, Penalties for 2010, to determine the monthly penalty amount. Enter that amount here. If you entered col. D, enter the penalty amount that corresponds to your age **3**
4. Enter the number of gap(s) in coverage of four or more consecutive months in which you were uninsured, as shown in Schedule HC, line 7. (**Turning 18, Part-Year Residents or a Taxpayer Was Deceased:** When completing line 4, do not include the number of unfilled ovals for months that the mandate did not apply, as determined in Schedule HC, line 7.) If you were uninsured for all of 2010 or for the period that the mandate applied, enter "0" **4**
5. Enter the total number of months for the gap(s) in coverage in which you were uninsured from line 4. If you were uninsured for all of 2010, enter "12" **5**
6. Multiply line 4 by 3 **6**
7. Subtract line 6 from line 5. **7**
8. Multiply line 3 by line 7. This is your penalty amount. **8**

If you are subject to a penalty because you are deemed able to afford insurance in 2010 but did not obtain it, you may appeal the application of the penalty to you. Instructions for filing an appeal can be found online at www.mass.gov/dor. If you are filing an appeal, do not enter a penalty amount on Form 1, line 34a or line 34b or Form 1-NR/PY, line 39a or line 39b. If you are not appealing the penalty, enter the penalty amount from line 8 on Form 1, line 34a or line 34b or Form 1-NR/PY, line 39a or line 39b.

Table 5: Annual Income Standards

Family size	Col. A		Col. B		Col. C		Col. D
	From	To	From	To	From	To	Above
1	\$16,249	– \$21,660	\$21,661	– \$27,084	\$27,085	– \$32,496	\$32,496
2	21,865	– 29,148	29,149	– 36,432	36,433	– 43,716	43,716
3	27,469	– 36,624	36,625	– 45,780	45,781	– 54,936	54,936
4	33,085	– 44,100	44,101	– 55,128	55,129	– 66,156	66,156
5	38,689	– 51,588	51,589	– 64,476	64,477	– 77,376	77,376
6	44,305	– 59,064	59,065	– 73,836	73,837	– 88,596	88,596
7	49,909	– 66,540	66,541	– 83,184	83,185	– 99,816	99,816
8	55,525	– 74,028	74,029	– 92,532	92,533	– 111,036	111,036
additional	+\$ 5,616	+\$ 7,488	+\$ 7,488	+\$ 9,348	+\$ 9,348	+\$ 11,220	+\$ 11,220

Table 6: Penalties for 2010

Col.	Monthly penalty amount
A	\$19.00
B	\$38.00
C	\$58.00
D-1 (age 18–26)*	\$66.00
D-2 (age 27+)*	\$93.00

*If you turned 27 during 2010, use col. D-1 (age 18-26) amount in line 3 of the Health Care Penalty Worksheet.

2010 Form 1 Worksheets

Below are the necessary worksheets you may need to complete your 2010 Form 1 income tax return. Retain these worksheets for your records. Do not submit these with your tax return.

Schedule X, Line 2 Worksheet. Taxable IRA/Keogh Plan, Qualified Charitable IRA Distributions and Roth IRA Conversion Distributions

Complete the Schedule X, line 2 worksheet to calculate the taxable portion of any amount you received from an Individual Retirement Account (IRA), Keogh, qualified charitable IRA distribution or Roth IRA conversion distribution. 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 your contributions which were previously subject to Massachusetts taxes are recovered.

Contributions made to Keogh accounts prior to 1975 were deductible when made. Therefore, no deduction may be taken from a Keogh distribution for amounts contributed before 1975.

Massachusetts generally adopts the federal conversion rules for partial or complete rollovers from existing IRAs to Roth IRAs. Generally, the rollover amount is treated as a distribution and included in federal gross income to the extent it is attributable to investment growth or previously deducted contributions.

See TIR 98-8, Massachusetts 1998 Reducing Income Taxes Act, for further details.

1. Total IRA/Keogh plan distributions, qualified charitable IRA deductions, Roth IRA conversion distributions in 2010 **1**

Note: Enter the amount of Roth IRA conversions occurring in 2010 only if you made a federal election to include the applicable conversion amount in gross income in 2010. See TIR 10-8 for more information.

2. Total IRA/Keogh plan contributions previously taxed by Massachusetts **2**

3. Total distributions received in previous years **3**

4. Subtract line 3 from line 2. If line 3 is larger than line 2, enter "0" **4**

5. Subtract line 4 from line 1 and enter the result here. Not less than "0" **5**

6. Total qualified charitable IRA distributions in 2010 included in line 1 **6**

7. Taxable IRA/Keogh distributions or Roth IRA conversion distributions. Subtract line 6 from line 5 and enter result here and in Schedule X, line 2. Not less than "0" **7**

Note: You must complete separate worksheets if married filing a joint return and both you and your spouse received IRA/Keogh Plan, qualified charitable IRA distributions, and/or Roth IRA conversion distributions.

Form 1, Line 12 Worksheet. Child Under 13 or Disabled Dependent/Spouse Care Deduction

Use this worksheet to calculate your Massachusetts child under age 13 or disabled dependent/spouse care deduction. **Note:** You cannot claim this deduction if married filing a separate U.S. 1040 or 1040A return. If you are filing a joint U.S. 1040 or 1040A return but are married filing separately for Massachusetts purposes, either spouse may claim the deduction for expenses he or she incurred, but their combined deduction cannot exceed \$4,800 for one qualifying individual or \$9,600 for two or more qualifying individuals.

Taxpayers who received dependent care benefits should complete a pro forma U.S. Form 2441. When completing this pro forma form, taxpayers should enter \$4,800 (or \$9,600 for two or more qualifying persons) in line 27 of U.S. Form 2441. The amount from this pro forma Form 2441, line 31 should then be entered in line 1 of the following worksheet.

Note: Same-sex joint filers should complete a pro forma U.S. Form 2441. In addition to changing the maximum amount of the deduction allowed on U.S. Form 2441 (see preceding paragraph), same-sex spouses should prepare the pro forma federal forms as though they were filing a joint federal return. See TIR 04-17 for more information.

1. Enter the amount of qualified expenses you incurred and paid in 2010 for a qualifying person(s). This amount may exceed the federal limit of \$3,000 for one qualifying person or \$6,000 for two or more persons. However, do not enter more than \$4,800 for one qualifying person or \$9,600 for two or more persons **1**

2. Enter the amount from U.S. Form 2441, line 4 **2**

3. Enter the amount from U.S. Form 2441, line 5 **3**

4. Enter the smallest of line 1, 2 or 3 **4**

5. If you paid 2009 expenses in 2010, enter the amount of the allowed 2009 expenses used to compute the credit on U.S. Form 2441, line 9. Otherwise, enter "0". **5**

6. Add lines 4 and 5. Not to exceed more than \$4,800 for one qualifying person or \$9,600 for two or more persons. Enter here and in Form 1, line 12 **6**

Note: If you choose to take a deduction in Form 1, line 12, you cannot take the deduction in Form 1, line 13.

Schedule Y, Line 1. Massachusetts Employee Business Expense Deduction Worksheet

Generally, reimbursed employee business expenses are not included in your wages or salary and therefore are not allowed as deductions. However, there are unreimbursed and certain reimbursed expenses for which you are allowed a deduction. Complete the following worksheet in order to calculate your Massachusetts employee business expense deduction. The expenses must relate to income reported in lines 3 or 9 on Form 1.

If you are a qualified performing artist or a fee-basis state or local government official, do not complete the worksheet. Enter on Schedule Y, line 9 your federally deductible business expenses included on U.S. Form 1040, line 24 and fill in the appropriate oval in Schedule Y, line 9.

Note: Same-sex joint filers must recalculate their U.S. Form 1040, Schedule A by combining allowable expenses as reported on U.S. Form 1040, Schedule A, lines 24 and 28 and their adjusted gross incomes as reported on U.S. Form 1040, Schedule A, line 25 in calculating U.S. Form 1040, Schedule A, line 27. Same-sex joint filers must also recalculate their U.S. Form 2106 or 2106-EZ by combining allowable expenses as reported on U.S. Form 2106, lines 4, 9b and 10 or U.S. Form 2106-EZ, lines 4, 5 and 6. See TIR 04-17 for more information.

1. Enter the amount from U.S. Form 2106, line 10, or 2106-EZ, line 6	1	<input type="text"/>
2. If you are an employee other than an outside salesperson, enter the amount of unreimbursed expenses included in U.S. Form 2106 or 2106-EZ, line 4	2	<input type="text"/>
3. If you are an employee other than an outside salesperson, enter amount of unreimbursed meals and entertainment expenses included in U.S. Form 2106, line 9, col. B or 2106-EZ, line 5, except for meals incurred while away from home . . .	3	<input type="text"/>
4. If you are an individual with a disability, enter the amount of impairment-related expenses included in line 1 and claimed on line 28 of U.S. Schedule A	4	<input type="text"/>
5. Add lines 2 through 4	5	<input type="text"/>
6. Subtract line 5 from line 1	6	<input type="text"/>
7. Enter the amount from U.S. Schedule A, line 27	7	<input type="text"/>
8. Enter the smaller amount of line 6 or line 7 here and on Schedule Y, line 1	8	<input type="text"/>

Schedule Y, Line 11 Worksheet. College Tuition Deduction

A deduction is allowed for tuition payments paid by you, for yourself or a dependent, to a qualifying two- or four-year college leading to an undergraduate or associate’s degree, diploma or certificate. Tuition payments for students pursuing graduate degrees at such a college or university are not eligible for the college tuition deduction. The deduction is equal to the amount by which the tuition payments, less any scholarships, grants or financial aid received, exceed 25% of Massachusetts AGI.

Qualified tuition expenses include only those expenses designated as tuition or mandatory fees required for the enrollment or attendance of the taxpayer or any dependent of the taxpayer at an eligible educational institution. No deduction is allowed for any amount paid for room and board, books, supplies, equipment, personal living expenses, meals, lodging, travel or research, athletic fees, insurance expenses or other expenses unrelated to an individual’s academic course of instruction. Complete the Massachusetts AGI Worksheet and the Schedule Y, line 11 worksheet to see if you may qualify for this deduction. See TIR 97-13 for more information.

1. Enter total tuition payments paid by you, for yourself or a dependent, to a qualifying two- or four-year college in 2010 . . .	1	<input type="text"/>
2. Enter amount of scholarships, grants or financial aid received in 2010 for amounts shown in line 1	2	<input type="text"/>
3. Subtract line 2 from line 1. If “0” or less, you do not qualify for this deduction	3	<input type="text"/>
4. Enter amount from line 7 of the Massachusetts AGI Worksheet	4	<input type="text"/>
5. Multiply line 4 by .25.	5	<input type="text"/>
6. If line 3 is smaller than line 5, you are not eligible for this deduction. Enter “0.” If line 3 is larger than line 5, subtract line 5 from line 3 and enter the result here and in line 11 on Schedule Y	6	<input type="text"/>

Schedule Y, Line 15 Worksheet. Commuter Deduction

A deduction is allowed for certain amounts paid by an individual for tolls paid for through a FastLane account or for weekly or monthly transit commuter passes for MBTA transit or commuter rail, not including amounts reimbursed or otherwise deductible.

In the case of a single person or a married person filing a separate return or a head of household, this deduction applies only to the portion of such expended amount that exceeds \$150, and the total amount deducted cannot exceed \$750. In the case of a married couple filing a joint return, this deduction applies only to the portion of such amount expended by each individual that exceeds \$150, and the total amount deducted cannot exceed \$750 for each individual. Also, one spouse cannot transfer his or her excess deduction to the other spouse; separate worksheets must be completed to calculate the deduction. See TIR 06-14 for additional information.

The deduction is allowed where an individual purchases an MBTA pass for a dependent who is claimed on that individual’s tax return, provided the dependent does not also claim the deduction. However, the total amount deducted cannot exceed \$750 for each individual taxpayer who is filing a return. In the case of married taxpayers filing a joint return, the total amount deducted cannot exceed \$750 per taxpayer; thus, the maximum deduction for a joint return is \$1,500.

1. Enter amount paid in 2010 for tolls through a FastLane account	1	<input type="text"/>
2. Enter amount paid in 2010 for weekly or monthly transit commuter passes for MBTA transit or commuter rail. (Do not include amounts reimbursed or otherwise deductible)	2	<input type="text"/>
3. Add lines 1 and 2. If \$150 or less, you do not qualify for this deduction. Omit remainder of this worksheet. Otherwise, complete lines 4 through 6.	3	<input type="text"/>
4. Enter \$150	4	<input type="text"/>
5. Subtract line 4 from line 3	5	<input type="text"/>
6. Enter the lesser of line 5 or \$750 here and on Schedule Y, line 15	6	<input type="text"/>

Schedule B, Line 32 and Schedule D, Line 15 Worksheet. Long-Term Capital Losses Applied Against Interest and Dividends

Complete only if Schedule B, line 31 is a positive amount and Schedule D, line 14 is a loss. Enter all losses as positive amounts.

- | | | |
|---|----------|----------------------|
| 1. Enter amount from Schedule B, line 29. | 1 | <input type="text"/> |
| 2. Enter the lesser of line 1 or \$2,000 | 2 | <input type="text"/> |
| 3. Enter the amount from Schedule B, line 30. | 3 | <input type="text"/> |
| 4. Subtract line 3 from line 2. If "0" or less omit the remainder of worksheet. Otherwise, complete lines 5 and 6 | 4 | <input type="text"/> |
| 5. Enter any loss from Schedule D, line 14 as a positive amount. Otherwise, enter "0" | 5 | <input type="text"/> |
| 6. If line 4 is less than or equal to line 5, enter line 4 here and in Schedule B, line 32 and in Schedule D, line 15. If line 4 is larger than line 5, enter line 5 here and in Schedule B, line 32 and in Schedule D, line 15. | 6 | <input type="text"/> |

Schedule B, Line 36 and Schedule D, Line 19 Worksheet. Excess Exemptions from Interest and Dividend Income, 12% Income and Long-Term Capital Gain Income (Only if Single, Head of Household, or Married Filing Jointly)

If your total exemptions in Form 1, line 18 are more than the amount of your 5.3% income after deductions in Form 1, line 17, the excess may be applied against any interest and dividend income and income taxed at 12%. Any remaining excess amount may then be applied against any long-term capital gain income. Complete this worksheet only if Form 1, line 17 is less than Form 1, line 18 and you received interest income (other than interest from Massachusetts banks), dividends or capital gain income to determine if you qualify for the excess exemption. Enter all losses as "0."

- | | | |
|--|----------|----------------------|
| 1. Enter amount from Schedule B, line 35. Not less than "0" | 1 | <input type="text"/> |
| 2. Enter amount from Form 1, line 18 | 2 | <input type="text"/> |
| 3. Enter amount from Form 1, line 17 | 3 | <input type="text"/> |
| 4. Subtract line 3 from line 2. If "0" or less, you do not qualify for this exemption. Omit remainder of worksheet. | 4 | <input type="text"/> |
| 5. Excess exemptions applied against interest and dividend income and 12% income. If line 1 is larger than line 4, enter line 4 here and in Schedule B, line 36. If line 4 is equal to or larger than line 1, enter line 1 here and in Schedule B, line 36. Complete lines 6 through 8. | 5 | <input type="text"/> |
| 6. Subtract line 5 from line 4. If "0," omit remainder of worksheet | 6 | <input type="text"/> |
| 7. Enter Schedule D, line 18. Not less than "0" | 7 | <input type="text"/> |
| 8. Excess exemptions applied against long-term capital gain income. If line 7 is larger than line 6, enter line 6 here and in Schedule D, line 19. If line 6 is equal to or larger than line 7, enter line 7 here and in Schedule D, line 19 | 8 | <input type="text"/> |

Form 1, Line 26 Massachusetts AGI Worksheet. No Tax Status (Only If Single, Head of Household or Married Filing Jointly)

If your Massachusetts AGI was \$8,000 or less if single, \$14,400 or less plus \$1,000 per dependent if head of household, or \$16,400 or less plus \$1,000 per dependent if married filing a joint return, you qualify for No Tax Status and are not required to pay any Massachusetts income taxes.

- 1. Enter your total 5.3% income from Form 1, line 10. Not less than "0". (Add back any Abandoned Building Renovation deduction claimed on Schedule(s) C and/or E before entering an amount in line 1.) **1**
- 2. Add Schedule Y, lines 1 through 10. **2**
- 3. Subtract line 2 from line 1. Not less than "0". **3**
- 4. Enter total Massachusetts bank interest or the interest exemption amount, whichever is smaller, from Form 1, line 5a or line 5b. **4**

Note: If Form 1, line 10 is a loss, combine Form 1, line 10 with the smaller amount of total Massachusetts bank interest or the interest exemption amount. Enter the result in line 4, unless the result is a loss. If the result is a loss, enter "0."

- 5. Enter amount from Schedule B, line 35. If there is no entry in Schedule B, line 35 or if not filing Schedule B, enter the amount from Form 1, line 20 **5**
- 6. Enter the amount from Schedule D, line 18. Not less than "0". (If filing Schedule D-IS, Installment Sales, see the Schedule D-IS instructions, available at www.mass.gov/dor, for the amount to enter in line 6.) **6**
- 7. Add lines 3 through 6. **7**

If you are single and the total in line 7 is \$8,000 or less, you qualify for No Tax Status. Fill in the oval in line 26, enter "0" in line 27 and omit lines 28 through 30. Also, enter "0" in line 31 and complete Form 1. However, if there is an amount entered in line 25, Credit Recapture Amount and/or additional tax on installment sales, enter that amount in line 27 and complete lines 29 and 30. If you are single but do not qualify for No Tax Status, and your total in line 7 is \$14,000 or less, complete Form 1, line 27 and see Form 1, line 28 instructions for the Limited Income Credit. If you are filing as head of household or married filing a joint return, compare line 7 with the table below to see if you may qualify for No Tax Status or the Limited Income Credit.

Number of dependents (from Form 1, line 2b):	Head of household. Line 7 of the AGI worksheet is less than or equal to:		Married filing a joint return. Line 7 of the AGI worksheet is less than or equal to:	
	0	\$14,400	\$25,200	\$16,400
1	15,400	26,950	17,400	30,450
2	16,400	28,700	18,400	32,200
3	17,400	30,450	19,400	33,950
4	18,400	32,200	20,400	35,700
5	19,400	33,950	21,400	37,450
6	20,400	35,700	22,400	39,200
	you qualify for No Tax Status	you may qualify for the Limited Income Credit	you qualify for No Tax Status	you may qualify for the Limited Income Credit

If the number of dependents is more than 6, add \$1,000 per dependent to the No Tax Status column, or \$1,750 per dependent to the Limited Income Credit column.

If you qualify for No Tax Status, fill in the oval in line 26, enter "0" in line 27 and omit lines 28 through 30. Also, enter "0" in line 31 and complete Form 1. However, if there is an amount entered in line 25, Credit Recapture Amount and/or additional tax on installment sales, enter that amount in line 27 and complete lines 29 and 30. If you may qualify for the Limited Income Credit, go to line 27 and complete the worksheet for line 28.

Form 1, Line 28 Worksheet. Limited Income Credit (Only if Single, Head of Household, or Married Filing Jointly)

If you do not qualify for No Tax Status, but you are single and your Massachusetts AGI is between \$8,000 and \$14,000, or if you are filing as head of household and your Massachusetts AGI is between \$14,400 and \$25,200 plus \$1,750 per dependent, or if you are married filing a joint return and your Massachusetts AGI is between \$16,400 and \$28,700 plus \$1,750 per dependent, you may qualify for the Limited Income Credit. This credit is an alternative tax calculation that can result in a significant tax reduction for people whose income is close to the No Tax Status threshold.

- 1. Enter amount from line 7 of Massachusetts AGI Worksheet **1**
- 2. Enter \$8,000 if single. If married filing a joint return or head of household, enter the amount from the No Tax Status column of the No Tax Status/Limited Income Credit chart **2**
- 3. Subtract line 2 from line 1 **3**
- 4. Enter in line 4 the amount of tax from Form 1, line 27 **4**
- 5. Multiply line 3 by 10% (.10) **5**
- 6. If line 4 is smaller than line 5, you are not eligible for this credit. Enter "0." If line 4 is larger than line 5, subtract line 5 from line 4 and enter result here and in line 28 on Form 1 **6**

Schedule Z, Part 2, Line 10 Worksheet. Income Tax Paid to Another Jurisdiction

If any of the income reported on this return is subject to taxation in another state or jurisdiction and you have filed a return and paid taxes in the other state or jurisdiction, complete the Schedule Z, Part 2, line 10 worksheet and enter the amount of credit on line 10 of Schedule Z. Do not include taxes paid to the U.S. government. (This credit does not apply to city or local taxes.) You are allowed to claim a credit for taxes paid to the following jurisdictions: (a) other states in the U.S.; (b) any territory or dependency of the U.S. (including Puerto Rico, the Virgin Islands, Guam, the District of Columbia); or (c) the Dominion of Canada or any of its provinces (less any U.S. credit amount allowable from U.S. Form 1116).

Credit is not given for a property tax due to another jurisdiction on account of capital stock or property. This does not refer to a tax on gain or income from the sale of capital stock or property, as included on Sched. B or D. Credit is also not given for any interest/penalties paid on a tax due to another jurisdiction.

You must complete separate worksheets if you had 5.3% and interest income (other than interest from Massachusetts banks), dividends or capital gain income taxed by another jurisdiction. If you use this worksheet to calculate a credit for interest income (other than interest from Massachusetts banks), dividends or capital gain income, substitute interest income (other than interest from Massachusetts banks), dividends or capital gain income for 5.3% income in line 1. You must also substitute Schedule B, line 7 (interest and dividend income) and Schedule B, line 13 (taxable 12% capital gains) or Schedule D, line 12, (gross long-term capital gains and losses), but not less than "0," for Form 1, line 10 in line 2 of the worksheet, and the total of Form 1, line 20 multiplied by .053 (tax on interest and dividend income) and Form 1, line 23 (12% tax) or line 24 (tax on long-term capital gains) for Form 1, line 19 in line 4 of the worksheet.

When using this worksheet to calculate credit for interest income (other than interest from Massachusetts banks), dividends or capital gain income, enter in line 1 such income taxed in another jurisdiction calculated as if it was earned in Massachusetts.

If you choose to pay the optional 5.85% tax rate, substitute .0585 for .053 in line 4 of the worksheet.

Be sure to enter on line 10 of Schedule Z the two-letter state or jurisdictional postal code for each state or jurisdiction for which you are taking the credit.

- 1.** Enter the total 5.3% income included in Form 1, line 10 on which you paid taxes to another jurisdiction. **1**
- 2.** Enter the total of Form 1, line 10 and the total Massachusetts bank interest or the interest exemption amount, whichever is smaller, from Form 1, line 5a or line 5b **2**
- 3.** Divide line 1 by line 2. Not greater than "1" **3**
- 4.** Multiply Form 1, line 19 by .053. **4**
- 5.** Enter any Limited Income Credit from Form 1, line 28 **5**
- 6.** Subtract line 5 from line 4 **6**
- 7.** Multiply line 6 by line 3. **7**
- 8.** Enter the total tax paid to other jurisdictions on income also reported on this return unless the tax was paid to Canada. If the tax was paid to Canada, the amount reported in this line must be reduced by the amount claimed as a foreign tax credit on U.S. Form 1040, line 47. Credit is only allowable for amount of tax paid **8**
- 9.** Enter the smaller of lines 7 or 8 here and on Schedule Z, line 10 **9**

Form 1, Line 33 Worksheet. Use Tax Due on Out-of-State Purchases

A 6.25% Massachusetts use tax is due on your taxable purchases of tangible personal property purchased for use in Massachusetts on which you did not pay Massachusetts sales or use tax. These include, but are not limited to, purchases made out-of-state, on the Internet or from a catalog, where no Massachusetts sales tax was paid. The use tax does not apply to out-of-state purchases that are exempt from the sales tax (for example, clothing that costs \$175 or less).

Examples of taxable items include computers, furniture, jewelry, cameras, appliances, and any other item that is not exempt. Generally, anyone who pays a sales or use tax to another state or territory of the United States on tangible personal property to be used in Massachusetts is entitled to a credit against the Massachusetts use tax, up to 6.25%. This credit is allowed for sales or use tax paid to another state only if that state has a corresponding credit similar to the Massachusetts credit. See TIR 03-1 for more information. Prepare and retain with your records a list of your purchases in 2010 that are subject to the Massachusetts use tax.

Complete the following worksheet to calculate your use tax if you are not self-reporting a "safe-harbor" amount. For more information about use tax, visit DOR's website at www.mass.gov/dor.

1. Total of purchases in 2010 subject to Massachusetts use tax	1	<input type="text"/>
2. Use tax. Multiply line 1 by .0625 (6.25%)	2	<input type="text"/>
3. Credit for sales/use tax paid to other states or jurisdictions. Add the amount of any sales/use tax paid to another state or jurisdiction, or 6.25% of the sales price, whichever is less, on each purchase reported in line 1	3	<input type="text"/>
4. Total amount due. Subtract line 3 from line 2. Not less than "0". Enter here and on Form 1, line 33	4	<input type="text"/>

Taxpayers may use the following table to self-report a "safe-harbor" amount of use tax based on their Massachusetts adjusted gross income. A taxpayer may pay this amount in lieu of the actual amount of use tax that would otherwise be due with respect to such purchases. Individual taxpayers electing to report use tax under this method will not be assessed additional use tax on audit, even if the actual amount of use tax due would have been greater than the amount from the schedule.

The estimated liability applies only to purchases of any individual items each having a total sales price of less than \$1,000. For each taxable item purchased at a sales price of \$1,000 or greater, the actual use tax liability for each purchase must be added to the amount of the estimated liability from the table below. See TIR 04-26 for more information.

Massachusetts AGI per return*	Use tax liability
\$ 0 – \$ 25,000	\$ 0
25,001 – 40,000	20
40,001 – 60,000	31
60,001 – 80,000	44
80,001 – 100,000	56

If the Massachusetts AGI per return* is above \$100,000, multiply by .000625.

*From line 7 of Form 1, line 26 Massachusetts AGI Worksheet on page WS-8.

Form 1 Extension Worksheet

If line 3 of the worksheet below is "0" and 100% of the tax due for 2010 has been paid through: withholding; timely estimated payments of tax; credits from your 2010 return; and a refund from the prior tax year applied to the next year's tax liability, you are no longer required to file Form M-4868, Application for Automatic Extension of Time to File Massachusetts Income Tax Return. However, if you do choose to file Form M-4868 in this instance, you are required to do so electronically, via DOR's website. See TIR 06-21 for more information.

Also, if you are making a payment of \$5,000 or more, you are required to file your extension via the web. If you are making a payment of less than \$5,000, you also have the option of filing your extension electronically. If there is a tax due with your extension, payment can be made through Electronic Funds Withdrawal.

Visit www.mass.gov/dor to file via the Web or to obtain Form M-4868.

1. Enter amount from Form 1, line 31	1	<input type="text"/>
2. Add Form 1, lines 36 through 38 and 40 through 42	2	<input type="text"/>
3. Amount due. Subtract line 2 from line 1, not less than "0"	3	<input type="text"/>