

# SCHEDULE I Additions to and Subtractions from Federal Adjusted Gross Income

## Calculation A Instructions

Additions to federal adjusted gross income

**Line 6 Other** is for those items not subject to federal tax but subject to DC tax. Please list.

## Calculation B Instructions

Subtractions from federal adjusted gross income

**Line 1 Taxable interest from US Treasury bonds and other obligations.** This interest is included on your federal Forms 1040 or 1040A, Line 8a or 1040EZ, Line 2. It may be all or part of that amount, or it may be 0. Also see your federal Form 1099-INT, Line 3.

**Line 2 Disability income exclusion from DC Form D-2440.** Enter the amount from Form D-2440, Line 10. Attach a completed D-2440. If disability payments were included in your federal gross income, you may be able to claim an exclusion for them on your DC return.

**Line 5 Excess of DC allowable depreciation over federal allowable depreciation.** If you claimed the federal bonus depreciation (30% or 50%) on your federal return, the DC basis for the depreciated property will be more than the federal basis. Use this line to subtract the excess depreciation from the federal AGI to show the proper DC depreciation allowable.

**Line 6 Long-term care insurance premiums.** Long-term care insurance premiums paid in 2011 are entered on Line 6, Calculation B, Schedule I. The deduction may not exceed \$500 per year, per person.

**Line 7 DC College Savings Plan payments.** Enter the amount contributed to a qualified DC "529" College Savings Plan. You may deduct up to \$4,000 annually for contributions you made to all qualified college savings accounts of which you are the owner. If you are married and file a joint or combined separate return, each spouse/domestic partner may deduct up to \$4,000 for contributions made to all accounts for which that spouse/domestic partner is the sole owner. A rollover distribution is not a contribution for purposes of this deduction. Contributions made to one or more accounts in excess of the allowable \$4,000 (\$8,000 for eligible joint filers) annual deduction may be carried forward as a deduction (subject to the annual limitation) for up to five years. If you were a part-year DC resident during the tax year, you may deduct only the amount contributed when you resided in DC.

**Line 8 Exclusions for DC residents.** Income not to exceed \$10,000 is excludable in computing DC gross income for persons determined by the Social Security Administration to be totally and permanently disabled and who are receiving: Supplemental Security Income or Social Security Disability; or railroad retirement disability benefits; or federal or DC government disability benefits; and whose annual household adjusted gross income is less than \$100,000.

Household income includes income received by all household members in the year, even income excluded from federal adjusted gross income.

Adjusted gross income is that of all persons residing in a household, excluding the adjusted gross income of any person who is a tenant under a written lease for fair market value.

**Lines 9 and 10 Expenditures by DC teachers.** An individual who:

- 1) has been approved by the DC public schools; and
- 2) has been a classroom teacher in a DC public school or public charter school for this entire tax year or the entire prior tax year may deduct:
  - the amount the teacher paid during the year for basic and necessary classroom teaching materials and supplies – up to \$500

per person whether filing individually or jointly.

- the tuition and fees paid during the year for postgraduate education, professional development, or state licensing examination and testing for improving teaching credentials or maintaining professional certification – up to \$1,500 per person whether filing individually or jointly.

### **Interaction between DC deductions and similar federal deductions.**

To prevent a "double deduction" situation – if a DC classroom teacher claims a deduction on his/her federal return for personal expenses, the federal tax deduction claimed **reduces** the amount that may be claimed for those same expenses on the DC return. **For example:** a DC classroom teacher who claims \$1,500 or more for tuition and fees on the federal return (Form 1040, Line 34) **may not** take any deduction for these same expenses on the DC return.

**Line 11 Loan repayment awards.** "Loan repayment awards" of up to \$120,000 paid over four years by DC to healthcare professionals to reduce their medical education debt are not taxed by DC. (This program is administered by the DC Department of Health.)

**Line 12 Healthcare insurance premiums.** Any healthcare insurance premium paid by an employer for an employee's domestic partner registered with the Vital Records Division of the DC Department of Health (see DC Code §32-701 (3) and 702) or same sex spouse is deductible, unless on your federal return the employee's registered domestic partner or same sex spouse is considered a dependent pursuant to IRC §152 and a deduction from income was taken for the premium on the employee's federal tax return.

**Line 13 DC Poverty Lawyer Loan Assistance.** Attach a copy of your document cancelling the debt. Lawyers eligible for this award are those whose legal practice has been certified by the DC OAG as serving the public interest.

**Line 14 Other** is for those items not subject to DC tax but subject to federal tax. Please list.

### **Line 15 Military Spouse Residency Relief Act**

If you have determined that you are required to file a District of Columbia tax return and you are in one of the U.S. military services, one of the following may apply:

- (1) If a servicemember's legal residence for taxes is not in DC but the servicemember and spouse reside in DC due to military orders, the military compensation and the non-military spouse's compensation should be deducted on Schedule I, Line 15. If this applies to you, a copy of the Department of Defense form providing the servicemember's legal residence for taxes and a copy of the non-military spouse's legal residence for taxes driver's license should be kept with your tax records in case it is subsequently needed.
- (2) If a servicemember's legal residence for taxes is not in DC but the service member resides in DC due to military orders and subsequently marries a DC resident, the servicemember's military compensation should be deducted on Schedule I, Line 15. The non-military spouse's income is not exempt in this case since the non-military spouse is a DC resident and has not moved to DC to be with a transferred servicemember. If this applies to you, a copy of the Department of Defense form providing the servicemember's legal residence for taxes should be kept with your tax records in case it is subsequently needed.
- (3) If a servicemember's legal residence for taxes is in DC and the servicemember and spouse reside in DC in compliance with the servicemember's military orders, they will file Form D-40 and will report all their income in DC, as either married filing jointly or married filing separately.