



Addendum: 2016 Beyond the 1040

Revision #2

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Review Question #8 should say: If the taxpayer amortized points over the life of a mortgage and **refinanced the mortgage with the same lender**, the remaining points are deductible in full.

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Review Answer #8 should say:

- A. Incorrect. The taxpayer cannot deduct the unamortized points in full because he or she **refinanced the mortgage with the same lender**.
- B. False is **correct**. If the taxpayer amortized points over the life of a mortgage and **refinanced the mortgage with the same lender**, he or she must amortize the points over the term of the new loan. On the other hand, if he or **she refinanced the mortgage with a different lender**, she can deduct the remaining points in full.

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Added clarification. Susan converted her personal residence to a rental property **and then converted it back to her personal residence for three years before selling it**.

3. ____ Susan converted her personal residence to a rental property and then converted it back to her personal residence for three years before selling it. She owned the home for 4,507 days. Susan's nonqualified use is 1,275 days. If the gain after depreciation recapture is \$130,000, what amount of gain does she recognize?
- A. \$0.
 - B. \$36,776.
 - C. \$65,000.
 - D. \$130,000.



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Add the following note after “premium tax credit” in the first bullet list.

NOTE: For the noncustodial parent to be eligible for the tuition and fees deduction, he or she must have actually paid the qualifying tuition and related expenses in addition to claiming the student’s dependency exemption. This differs from the education credits in that with the education credits the taxpayer claiming the student’s dependency exempt claims the education credit whether or not they actually paid the expenses.

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Add an additional bullet to the list with the following:

- The individual has net earnings from self-employment of \$400 or more.

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