

SCHEDULE I Additions to and Subtractions from Federal Adjusted Gross Income



Important: Print in CAPITAL letters using black ink. Attach to your D-40.

Last name <input style="width:95%; height: 20px;" type="text"/>	Taxpayer Identification Number (TIN) <input style="width:95%; height: 20px;" type="text"/>	OFFICIAL USE ONLY Vendor ID#0000
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Calculation A Additions to federal adjusted gross income. Fill in only those that apply.	Dollars only, do not enter cents
1 Part-year DC resident – enter the portion of adjustments (from Federal Form 1040, 1040-SR or 1040-NR) that relate to the time you resided outside DC. For Lines 2 – 7 below include only the amounts related to the time you resided in DC.	1 \$ <input style="width: 100px;" type="text"/> .00
2 Income distributions eligible for income averaging on your federal tax return (from federal Form 4972).	2 \$ <input style="width: 100px;" type="text"/> .00
3 100% federal bonus depreciation and/or extra IRC §179 expenses claimed on fed. return.	3 \$ <input style="width: 100px;" type="text"/> .00
4 Any part of a discrimination award subject to income averaging.	4 \$ <input style="width: 100px;" type="text"/> .00
5 Deductions for S Corporations from Schedule K-1, Form 1120 S.	5 \$ <input style="width: 100px;" type="text"/> .00
6 Pass through losses from DC unincorporated businesses that exceed the \$12,000 threshold (reported as a loss on federal 1040 or 1040-SR return).	6 \$ <input style="width: 100px;" type="text"/> .00
7 Other. See instructions on other side.	7 \$ <input style="width: 100px;" type="text"/> .00
8 Capital gains deferred on federal return due to investment in Qualified Opportunity Fund	8 \$ <input style="width: 100px;" type="text"/> .00
9 Total additions. Add entries on Lines 1-8. Enter the total here and on D-40, Line 6.	9 \$ <input style="width: 100px;" type="text"/> .00
Calculation B Subtractions from federal adjusted gross income. Fill in only those that apply.	
1 Taxable interest from US Treasury bonds and other obligations. See instructions on other side.	1 \$ <input style="width: 100px;" type="text"/> .00
2 Disability income exclusion from DC Form D-2440, Line 10. See instructions on other side.	2 \$ <input style="width: 100px;" type="text"/> .00
3 Interest and dividend income of a child from Federal Form 8814*.	3 \$ <input style="width: 100px;" type="text"/> .00
4 Awards, other than front and back pay, received due to unlawful employment discrimination.	4 \$ <input style="width: 100px;" type="text"/> .00
5 Excess of DC allowable depreciation over federal allowable depreciation. See instructions.	5 \$ <input style="width: 100px;" type="text"/> .00
6 Amount paid (or carried over) to DC College Savings plan in 2023 (maximum \$4,000 per person, \$8,000 for joint filers if each is an account owner). Part-year residents see instructions.	6 \$ <input style="width: 100px;" type="text"/> .00
7a Exclusion of up to \$10,000 for DC residents (certified by the Social Security Adm. as disabled) with adjusted annual household income of less than \$100,000. See instructions.	7a \$ <input style="width: 100px;" type="text"/> .00
7b Annual household adjusted gross income. 7b \$ <input style="width: 100px;" type="text"/> .00	
8 Expenditures by DC teachers for necessary classroom teaching materials, \$500 annual limit per person. See instructions on other side.	8 \$ <input style="width: 100px;" type="text"/> .00
9 Expenditures by DC teachers for certain tuition and fees, \$1500 annual limit per person. See instructions on other side.	9 \$ <input style="width: 100px;" type="text"/> .00
10 Loan repayment awards received by health-care professionals from DC government. See instructions on other side.	10 \$ <input style="width: 100px;" type="text"/> .00
11 Health-care insurance premiums paid by an employer for an employee’s registered domestic partner or same sex spouse. Make no entry if the premium was deducted on your federal return, see instructions on other side.	11 \$ <input style="width: 100px;" type="text"/> .00
12 DC Poverty Lawyer Loan Assistance. See instructions on other side.	12 \$ <input style="width: 100px;" type="text"/> .00
13 Other. See instructions on other side. _____	13 \$ <input style="width: 100px;" type="text"/> .00
14 Military Spouse Residency Relief Act. See instructions on other side.	14 \$ <input style="width: 100px;" type="text"/> .00
15 Capital gains deferred due to DC approved investment in DC Qualified Opportunity Fund	15 \$ <input style="width: 100px;" type="text"/> .00
16 Total subtractions. Add entries on Lines 1–7a and 8-15. Enter the total here and on D-40, Line 14.	16 \$ <input style="width: 100px;" type="text"/> .00

*Note: Since income reported on Federal Form 8814, Parents’ Election to Report Child’s Interest and Dividends, and included in the parents’ federal return income is subtracted above on Line 3 of Calculation B, the child must file a separate DC return reporting this income.

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Calculation A Instructions

Additions to federal adjusted gross income

Line 6 Pass through losses from DC unincorporated businesses that exceed the \$12,000 threshold (reported as a loss on federal 1040 or 1040-SR return).

Line 7 Other is for those items not subject to federal tax but subject to DC tax. Please attach a list.

Line 8 If you reported deferred capital gains on your federal return due to an investment in a Qualified Opportunity Fund, you must add back the amount of the deferral here.

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 1040-SR, Line 2b or 1040-NR, Line 2b. 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 (100%) 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 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/registered domestic partner may deduct up to \$4,000 for contributions made to all accounts for which that spouse/registered 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 7a and 7b 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 8 and 9 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 or 1040-SR) **may not** take any deduction for these same expenses on the DC return.

Line 10 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 11 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 12 DC Poverty Lawyer Loan Assistance. Attach a copy of your Form 1099C (Cancellation of Debt) issued by the DC Office of the Attorney General (OAG). Lawyers eligible for this award are those whose legal practice has been certified by the DC OAG as serving the public interest.

Line 13 Other. Other items not subject to DC tax subtracted from federal adjusted gross income, such as rebates/grants received from the Private Security Camera Systems Program, the Home Composting Incentive Program, the Safe at Home Grant Program, and certain other grants excluded from District gross income. See instructions page 7 and DC Code § 47-1803.02(a)(2).

Line 14 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 14. 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 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.

Line 15 DC Opportunity Fund Investment

If you have deferred capital gains due to an investment in a DC approved Qualified Opportunity Fund, subtract the amount of deferral here, provided this amount is also included in Calculation A, Line 8 of Schedule I.