

Preparing MFS Returns in TaxSlayer

Before beginning, review these documents on CTC Resources:

- [Policy & Background: Married Filing Separately](#);
- [About Marriage and Legal Separation for Texas Clients](#); and
- **Filing Status Options for Married Taxpayers** (in [English](#) and [Spanish](#)).

Inform the taxpayer that:

- The IRS may question the return, especially if the other spouse itemizes deductions or claims the same dependents.
- The return must be mailed to the IRS and there will be a delay in processing the return and issuing any refund.

Remember these basics:

- MFS returns are always **Paper** returns.
- Residents of Texas and other community property states must have **Form 8958**, *Allocation of Tax Amounts Between Certain Individuals in Community Property States* added to their return. Residents of non-community property states do not.
- MFS returns must be physically modified after preparation to remove any spousal allocation on **Form 8958** and any other inaccurate information on the return (eg, placeholder spouse SSNs, etc.) Contact your Site Manager for assistance.
- Be aware of policies, rules, and deadlines around amending returns to change MFS filing status. See [Amending to Revise Filing Status: MFJ/MFS](#) on CTC Resources if you are preparing such an amendment.

1. Verify that you have the information that you need to prepare the MFS return.
 - a. Spouse Name Although we will prepare a return with an unknown SSN for the spouse (see just below), we must have the name of the spouse.
 - b. Spouse SSN or ITIN If this is not known or provided, you will use “placeholder” information to prepare the return in TaxSlayer.)
2. Prepare the return in TaxSlayer with filing status of **Married Filing Separately**.
 - a. Enter the spouse’s name.
 - b. Enter the spouse’s SSN or ITIN. If the actual number has not been provided, use “**111-00-1111**” as a placeholder.
 - c. Use only the taxpayer’s income/tax documents and not that of the spouse.

- d. Remember that the standard deduction cannot be claimed if the spouse of the taxpayer itemizes, and vice-versa.
3. For community property state residents (eg, Texas), add **Form 8958**, *Allocation of Tax Amounts Between Certain Individuals in Community Property States*.
 - a. Click on the **Federal Section** sidebar in TaxSlayer.
 - b. Click on **Miscellaneous Forms**.
 - c. Locate **Form 8958 Married Filing Separately Allocations** and click on **Begin**.

Form 8958

Married Filing Separately Allocations

BEGIN

4. In the **Form 8958** screen, enter **\$1** as the allocation for the spouse in the **Spouse** column of **Form 8958** for all income entered in the return. See below for an example.

Remember: FC's policy is not to allocate community property. The amounts entered are placeholders.

	Taxpayer	Spouse
SOMERSET ISD	\$28,414.00	\$1
State Income Tax Refund	\$0.00	\$
Capital gain (or loss)	\$0.00	\$
Taxable amount of pensions and annuities	\$0.00	\$
Rental real estate, royalties, partnerships, S corporations, trusts, etc.	\$0.00	\$
Withholdings	\$0.00	\$

5. Continue to the **E-File** screen.
6. Set the Return Type to **Paper**. The taxpayer may request direct deposit of any refund even though the return is set to **Paper**.
7. Complete the **E-File** and **Submission** screens as usual in order to prepare the return to be Quality Reviewed.
8. Quality Reviewers: [Refer to Printing & Finalizing the MFS Return for the Client](#).