

Schedule K-1: In Scope for VITA?

Schedule K-1 is used to report the taxpayer's share of income, other distributions, deductions, and credits from partnerships, S corporations, and some estates and trusts.

Income reported on Schedule K-1 that is **in scope for VITA** includes:

- Interest income
- Dividend income
- Qualified dividends income
- Section 199A dividends
- Net short-term capital gains and losses
- Net long-term capital gains and losses
- Tax-exempt interest income
- Royalty income with no expenses
- Home rental (MIL certification required)

What Schedule K-1 situations are out of scope for VITA?

- Income reported on Schedules K-1 (other than what is listed above)
- Deductions, credits, and other items reported on Schedules K-1
- Royalty income with expenses
- Taxpayers who rent their property at less than fair rental value
- Rental-related interest expenses other than mortgage interest
- Taxpayers who filed or need to file Form(s) 1099

Note: The Pub 4012 Scope of Service chart mentions that "Rental of personal residence for less than 15 days for the year is not considered a rental activity and is not taxable income (Advanced) unless taxpayer is in the rental business or cleaning, linen, food or similar services were provided during the rental period (out of scope)."