

## Which Returns Must Be DROP-OFF Returns?

Any tax return for any tax year or with any required certification level can be sent to Drop-Off. But the following tax return types must be sent to Drop-Off for preparation.

- 2018 and prior
- State Returns (including state withholding on Forms 1099-G or 1099-R) - as of June 2025, **the federal and state returns must both be prepared by Drop Off.** *This is in the best interest of the client to avoid unintentional errors. The only exception to this rule is during the last week of the filing season when Drop Off is not accepting new tickets. At the client's request, the federal return may be filed and the client may return in the summer to prepare and file the state return.*
- Returns with International Income
- Returns with Rental Income (including AirBnB income) unless prepared by STS in a prior year
- Returns requiring **Military Certification**
  - Returns with National Guard drill mileage
  - Returns with Combat Pay (designated as **Code Q** in **Box 12** of **Form W2** issued by the **Defense Finance and Accounting Service (DFAS)**)
  - Returns with an expense claimed for Uniforms (military)
- Returns where no 1098-T was issued and we need to use the account statements to calculate the education credit and/or taxable scholarship income

## Which returns do we *recommend* to send to DROP-OFF?

- **Form 1099-B with an adjustment to basis**
  - Example: the taxpayer may have a wash sale reported on Form 1099-B in box 1g or elsewhere on the brokerage statement.

- Example: if the basis needs to be adjusted because it is listed incorrectly on the statement.
- *Note: the brokerage statement may have many pages but should always contain a summary page that has the information we need to enter in the software. When in doubt, you can send the return to Drop Off.*
- **When using a wage and income transcript that includes multiple Forms 1099-B.**  
*The information provided in the transcript is often incomplete and requires significant time to work through. In these cases, we also often recommend that the taxpayer contact their financial institution to get a transaction summary.*
- **Form 1099-S for sale of home**
  - The taxpayer may qualify to exclude the gain on the sale of their primary residence. If Form 1099-S is issued, it usually means either the profit exceeded the total gain that could be exempted or the bank could not confirm the taxpayer's eligibility for this exemption.
  - *Note: Form 1099-S may list the purchase price or tax appraisal value of the home and not include any adjustments to the basis.*