

**SCHEDULE 1**  
**(Form 1040 or 1040-SR)**

Department of the Treasury  
Internal Revenue Service

**Additional Income and Adjustments to Income**

▶ **Attach to Form 1040 or 1040-SR.**

▶ **Go to [www.irs.gov/Form1040](http://www.irs.gov/Form1040) for instructions and the latest information.**

OMB No. 1545-0074

**2019**  
Attachment  
Sequence No. **01**

Name(s) shown on Form 1040 or 1040-SR

Your social security number

At any time during 2019, did you receive, sell, send, exchange, or otherwise acquire any financial interest in any virtual currency?  Yes  No

**Part I Additional Income**

<b>1</b>	Taxable refunds, credits, or offsets of state and local income taxes . . . . .	<b>1</b>	
<b>2a</b>	Alimony received . . . . .	<b>2a</b>	
<b>b</b>	Date of original divorce or separation agreement (see instructions) ▶		
<b>3</b>	Business income or (loss). Attach Schedule C . . . . .	<b>3</b>	
<b>4</b>	Other gains or (losses). Attach Form 4797 . . . . .	<b>4</b>	
<b>5</b>	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E . . . . .	<b>5</b>	
<b>6</b>	Farm income or (loss). Attach Schedule F . . . . .	<b>6</b>	
<b>7</b>	Unemployment compensation . . . . .	<b>7</b>	
<b>8</b>	Other income. List type and amount ▶	<b>8</b>	
<b>9</b>	Combine lines 1 through 8. Enter here and on Form 1040 or 1040-SR, line 7a . . . . .	<b>9</b>	

**Part II Adjustments to Income**

<b>10</b>	Educator expenses . . . . .	<b>10</b>	
<b>11</b>	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 . . . . .	<b>11</b>	
<b>12</b>	Health savings account deduction. Attach Form 8889 . . . . .	<b>12</b>	
<b>13</b>	Moving expenses for members of the Armed Forces. Attach Form 3903 . . . . .	<b>13</b>	
<b>14</b>	Deductible part of self-employment tax. Attach Schedule SE . . . . .	<b>14</b>	
<b>15</b>	Self-employed SEP, SIMPLE, and qualified plans . . . . .	<b>15</b>	
<b>16</b>	Self-employed health insurance deduction . . . . .	<b>16</b>	
<b>17</b>	Penalty on early withdrawal of savings . . . . .	<b>17</b>	
<b>18a</b>	Alimony paid . . . . .	<b>18a</b>	
<b>b</b>	Recipient's SSN . . . . .		
<b>c</b>	Date of original divorce or separation agreement (see instructions) ▶		
<b>19</b>	IRA deduction . . . . .	<b>19</b>	
<b>20</b>	Student loan interest deduction . . . . .	<b>20</b>	
<b>21</b>	Tuition and fees. Attach Form 8917 . . . . .	<b>21</b>	
<b>22</b>	Add lines 10 through 21. These are your <b>adjustments to income</b> . Enter here and on Form 1040 or 1040-SR, line 8a . . . . .	<b>22</b>	

For Paperwork Reduction Act Notice, see your tax return instructions.

Cat. No. 71479F

Schedule 1 (Form 1040 or 1040-SR) 2019

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# Instructions for Schedule 1

## Additional Income and Adjustments To Income

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### General Instructions

Use Schedule 1 to report income or adjustments to income that can't be entered directly on Form 1040 or 1040-SR.

Additional income is entered on Schedule 1, lines 1 through 8. The amount on line 9 of Schedule 1 is entered on Form 1040 or 1040-SR, line 7a.

Adjustments to income are entered on Schedule 1, lines 10 through 22. The amount on line 22 is entered on Form 1040 or 1040-SR, line 8a.

### Virtual Currency

If, in 2019, you engaged in any transaction involving virtual currency, check the "Yes" box next to the question on virtual currency at the top of Schedule 1. A transaction involving virtual currency includes:

- The receipt or transfer of virtual currency for free (without providing any consideration), including from an air-drop or following a hard fork;
- An exchange of virtual currency for goods or services;
- A sale of virtual currency; and
- An exchange of virtual currency for other property, including for another virtual currency.

If you disposed of any virtual currency that was held as a capital asset, use Form 8949 to figure your capital gain or loss and report it on Schedule D (Form 1040 or 1040-SR).

If you received any virtual currency as compensation for services or disposed of any virtual currency that you held for sale to customers in a trade or business, you must report the income as you would report other income of the same type (for example, W-2 wages on Form 1040 or 1040-SR, line 1, or inventory or services from Schedule C on Schedule 1).

If, in 2019, you have not engaged in any transaction involving virtual currency, and you don't otherwise have to file

Schedule 1, you don't have to do anything further. If you otherwise have to file Schedule 1, check the "No" box.


For more information, go to [IRS.gov/virtualcurrencyfaqs](https://www.irs.gov/virtualcurrencyfaqs).

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## Additional Income

### Line 1

#### Taxable Refunds, Credits, or Offsets of State and Local Income Taxes

 *None of your refund is taxable if, in the year you paid the tax, you either (a) didn't itemize deductions, or (b) elected to deduct state and local general sales taxes instead of state and local income taxes.*

If you received a refund, credit, or offset of state or local income taxes in 2019, you may be required to report this amount. If you didn't receive a Form 1099-G, check with the government agency that made the payments to you. Your 2019 Form 1099-G may have been made available to you only in an electronic format, and you will need to get instructions from the agency to retrieve this document. Report any taxable refund you received even if you didn't receive Form 1099-G.

If you chose to apply part or all of the refund to your 2019 estimated state or local income tax, the amount applied is treated as received in 2019. If the refund was for a tax you paid in 2018 and you deducted state and local income taxes on your 2018 Schedule A, use the State and Local Income Tax Refund Worksheet in these instructions to see if any of your refund is taxable.

**Exception.** See *Itemized Deduction Recoveries* in Pub. 525 instead of using the State and Local Income Tax Refund Worksheet in these instructions if any of the following applies.

1. You received a refund in 2019 that is for a tax year other than 2018.

2. You received a refund other than an income tax refund, such as a general sales tax or real property tax refund, in 2019 of an amount deducted or credit claimed in an earlier year.

3. You had taxable income on your 2018 Form 1040, line 10, but no tax on your Form 1040, line 11, because of the 0% tax rate on net capital gain and qualified dividends in certain situations.

4. Your 2018 state and local income tax refund is more than your 2018 state and local income tax deduction minus the amount you could have deducted as your 2018 state and local general sales taxes.

5. You made your last payment of 2018 estimated state or local income tax in 2019.

6. You owed alternative minimum tax in 2018.

7. You couldn't use the full amount of credits you were entitled to in 2018 because the total credits were more than the amount shown on your 2018 Form 1040, line 11.

8. You could be claimed as a dependent by someone else in 2018.

9. You received a refund because of a jointly filed state or local income tax return, but you aren't filing a joint 2019 Form 1040 with the same person.

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## Lines 2a and 2b

### Alimony Received

#### Line 2a

Enter amounts received as alimony or separate maintenance pursuant to a divorce or separation agreement entered into on or before December 31, 2018, unless that agreement was changed after December 31, 2018 to expressly provide that alimony received isn't included in your income. Alimony received is not included in your income if you entered into a divorce or separation agreement