

FTD COMPLIANCE CARD — Social Security Benefits Taxability Calculator

Fbaum Enterprises LLC d/b/a The Federal Tax Desk | Version 1.5 | Issued 2026-09-20 | Last verified 2026-09-20

HOW TO USE THIS CARD IN YOUR FIRM'S TOOL REVIEW

Circular 230 §10.36 requires the practitioners with principal authority and responsibility for overseeing a firm's tax practice to take reasonable steps to ensure that the firm has adequate procedures for complying with Circular 230, and that the firm follows them. OPR Alert 2026-19 (June 24, 2026) says firms must put policies and procedures in place for their use of AI, says outsourced or third-party AI tools should be vetted, and calls for documenting all steps and processes to show adherence to §10.36. This tool is deterministic, not a generative AI tool (Element 6 describes how it works). The Alert says no single definition covers every form of AI, and that at a basic level AI can be defined as the use of machines in a way that mimics human cognitive skills, including judgment, perception, and prioritization. Your firm can review this tool under the same AI policies and procedures. To record that review on this card:

1. Print or save this PDF.
2. Add this card to your firm's list of third-party tools, such as its technology inventory or the third-party provider list in its written information security plan (WISP).
3. Before first use with any client matter, verify that the base and adjusted base amounts in Element 3 match IRC §86(c) and the current Pub. 915 Worksheet 1 by following the verification steps in that element.
4. Fill in the Firm Adoption Record at the end of this card: the reviewer's name and credentials, the firm name, the date of your review, the date you did the step 3 check, and your initials. Tick its box once you finish step 2.
5. Keep the completed card with your firm's procedures. It records your firm's review of this tool. It does not by itself meet §10.36 or any other Circular 230 requirement. §10.36 looks at whether the firm's responsible practitioners took reasonable steps to make sure the firm has adequate procedures and follows them. It also looks at whether, once they knew or should have known that people in the firm had a pattern or practice of not complying, they acted promptly to correct it.

ELEMENT 1 — TOOL IDENTIFICATION

Tool name / version

Social Security Benefits Taxability Calculator, version 1.5

FTD issue date

2026-09-20

Most recent update

2026-09-26

Last verified against source

2026-09-20

Governing authority

IRC §86(a)(1), (a)(2), (b), (c), (d); IRS Publication 915 (2025), Worksheet 1

Figures source

IRC §86 full text (law.cornell.edu/uscode/text/26/86), read 2026-09-20; IRS Publication 915 (2025), Worksheet 1 and its four filled-in examples (irs.gov/publications/p915), read 2026-09-20. The base amounts (\$25,000 / \$32,000) and adjusted base amounts (\$34,000 / \$44,000) are fixed by statute and are not indexed for inflation.

Publisher

Fbaum Enterprises LLC d/b/a The Federal Tax Desk, 10526 Weybridge Dr., Tampa, FL 33626

Note: The base and adjusted base amounts are named outright in IRC §86(c)(1) and (c)(2). A full-text read of §86 on 2026-09-20 found no inflation or cost-of-living adjustment anywhere in the section, so the same amounts govern tax years 2025 and 2026. A future amendment would change this; the update trigger in Element 3 covers it.

ELEMENT 2 — WHAT THIS TOOL DOES

The Social Security Benefits Taxability Calculator computes the taxable portion of Social Security and Tier 1 Railroad Retirement benefits by following IRS Publication 915 Worksheet 1, lines 1 through 19, for each of six filing-status cases, and shows every line with its value and its IRC §86 citation.

Inputs

Filing status (single, head of household, qualifying surviving spouse, married filing jointly, married filing separately and lived apart all year, married filing separately and lived with spouse at any time); total benefits (Box 5 of every Form SSA-1099 and RRB-1099); other income; tax-exempt interest; excluded foreign, territory, or adoption income; adjustments to income. No taxpayer-identifying information.

Output

Taxable benefits and the percentage of benefits they represent, provisional income, the tier that applies (none, 50%, or 85%), all 19 worksheet lines with citations, the list of what the tool does not model, and a copy-paste-ready plain-text block.

What this tool IS

This tool produces a calculation reference for practitioner use. Every result shows each line of the governing worksheet or form with its value and its citation.

What this tool IS NOT

This tool does not produce tax advice, legal advice, or written advice subject to Circular 230 §10.37. The practitioner retains full professional responsibility for all conclusions presented to clients.

ELEMENT 3 — ACCURACY AND VERIFICATION

Primary sources

IRC §86(a)(1) (50% tier); §86(a)(2) (85% tier); §86(b)(1)–(2) (provisional income and modified adjusted gross income); §86(c)(1)–(2) (base and adjusted base amounts, including the \$0 amounts for married filing separately filers who lived with a spouse); §86(d) (definition of benefit, including Tier 1 railroad retirement); IRS Publication 915 (2025), Worksheet 1 (lines 1–19).

Placeholder citations

None. Every citation in this tool traces to a primary source read directly on the date shown above (IRC full text; IRS.gov instructions, publications, and Revenue Procedures), not to a summary.

How the calculation is tested

The four filled-in examples printed in Publication 915 (2025) reproduce to the dollar (\$2,990; \$0; \$6,275; \$3,400). An independent line-by-line transcription of IRC §86(a)–(c), written without the worksheet's structure, is compared against the calculator over a 420-case grid and 400 seeded random cases, with boundary and monotonicity checks. The test suite fails if any base or adjusted base amount is edited without updating the statute-derived expectations.

Update trigger

FTD updates this card and the tool when it learns of the IRS revising the governing figures, forms, or instructions for a future tax year, of an amendment to the governing IRC sections, or of a correction being discovered.

How to verify the Social Security taxability calculation

1. Open IRC §86(c) at uscode.house.gov or law.cornell.edu and confirm the base amounts (\$25,000; \$32,000; \$0 for married filing separately who lived with a spouse) and the adjusted base amounts (\$34,000; \$44,000; \$0) for the filing status.
2. Open the current Publication 915 at irs.gov/publications/p915 and confirm Worksheet 1 has the same 19 lines in the same order, and that its printed examples still produce the same taxable amounts.
3. Re-run one of the printed Publication 915 examples in the calculator and compare each worksheet line to the publication.
4. Confirm the inputs against the client's Forms SSA-1099 and RRB-1099 (Box 5) and Form 1040. This tool takes the amounts you enter and does not verify them.

Known limitations — KNOWN FAILURE MODES

- The lump-sum election (IRC §86(e); Publication 915 Worksheets 2–4) is NOT modeled. It can lower the taxable amount when a payment covers an earlier year.
- A filer who contributed to a traditional IRA and is covered by a workplace retirement plan must use the special worksheets in Publication 590-A, Appendix B, which this tool does not perform.
- If the repayments of benefits (Form SSA-1099 Box 4) exceed the gross benefits (Box 3), none of the benefits are taxable under Publication 915. Enter the net amount (Box 5); the tool does not model a repayment that exceeds gross benefits.
- The calculator rounds each line to cents. The IRS worksheet works in whole dollars, so a result can differ from a

hand-filled worksheet by under one dollar in the 85% tier.

- Form 1040 line references on the page follow the 2025 edition of Publication 915. If the IRS changes Worksheet 1 for a later year, the line labels need a refresh; the version and last-verified date on this card show the edition checked.
- Canadian and German social security benefits are entered like other benefits; the tool does not verify the treaty or reporting treatment.

ELEMENT 4 — DATA HANDLING

This tool does not require or store taxpayer-identifying information. It asks for a filing status and amounts, and no name, Social Security number, or address. Do not enter taxpayer-identifying information.

Short version: FTD's code keeps your entries in your browser. The email form sends your result, which can include your entries, out of your browser. A program from another company that runs on the page can also read what the page shows (see Analytics and other scripts).

In your browser: this tool runs in your web browser. FTD's servers do not receive the amounts you enter, and FTD does not log or store what you enter.

Section 7216: a federal law, IRC §7216, limits what tax return preparers can do with the information people give them. FTD is not a tax return preparer under that law (Treas. Reg. §301.7216-1(b)(2)). FTD's tools estimate, check, and analyze; they do not prepare or file income tax returns. FTD does not offer to prepare returns, or to help anyone prepare or file them. That law therefore does not govern how FTD handles what you enter in its tools.

Analytics and other scripts: FTD's pages send usage events to two analytics services, Plausible and Google Analytics. The events record the page address and what you do on the page: that the tool opened, that a calculation ran, and actions such as copying or emailing a result. For this tool they also record the filing status you chose. None of these events carries an amount, date, name, or text you enter. Google Analytics also runs its own standard page measurement, which FTD controls in Google's dashboard, not in its page code. The pages also load Grow by Mediavine, a program from another company that adds reader features to the page. FTD's code sends it nothing you enter, but it runs inside the page, so it can read the page and its address, and FTD's code cannot limit what it reads.

If you email a result: the "Email me this result" form sends three things to the program on FTD's web host that sends FTD's email: the email address you type, the tool's name, and the result text. The result text is a plain-text copy of the result, which can include what you entered. Before sending, the program turns any web address in the result that points outside [federaltaxdesk.com](https://www.federaltaxdesk.com) and the government sites FTD's tools cite ([irs.gov](https://www.irs.gov), [ssa.gov](https://www.ssa.gov), and [bls.gov](https://www.bls.gov)) into plain text that can't be clicked. The program then passes all three to Resend, the company that delivers FTD's email. FTD's code does not log or save the result text. To limit how many emails go out, the program saves send counts in storage run by FTD's web host, Netlify: one count for the email address, one for your IP address (the number that identifies your internet connection), and one total for the whole site. It files the email-address and IP-address counts under a scrambled code made from each address with a secret key, never the address itself, and FTD's code deletes the counts within two days. Resend's own terms, not FTD's code, govern what Resend keeps.

ELEMENT 5 — CIRCULAR 230 COMPLIANCE STATEMENT

FTD built this tool for tax practitioners subject to Circular 230. Use of this tool does not satisfy the practitioner's obligation to exercise due diligence under Circular 230 §10.22, or the requirement of Circular 230 §10.35 that a practitioner possess the necessary competence to engage in practice before the Internal Revenue Service. The practitioner must independently verify tool outputs before relying on them in client matters or submissions to the IRS. OPR Alert 2026-19 (June 24, 2026), which addresses AI tools, says that technology is not a substitute for professional judgment and that final decisions must rest with qualified professionals. This tool is not a generative AI tool, but the same rule applies to it: the practitioner makes the final decision.

ELEMENT 6 — TOOL CLASSIFICATION

TOOL CLASSIFICATION: This tool is a deterministic calculation engine, not a generative AI tool. Given the same filing status and amounts, it always returns the same result. It does not generate, infer, or predict outputs. The practitioner retains full obligation to exercise appropriate judgment and verify outputs before relying on them in client matters.

ELEMENT 7 — UPDATE AND CORRECTION LOG

Table A — Version History

Date	Version	Change Description	Trigger
2026-09-20	v1.0	Initial release — Publication 915 Worksheet 1 (19 lines) for six filing-status cases with IRC §86 citations on every line; verified against the full text of IRC §86 and Publication 915 (2025) on 2026-09-20	Initial build; first calculator in the show-the-math line
2026-09-25	v1.1	Element 4 (Data Handling) now comes from the site's one shared data-handling source (lib/data-handling.js), which separates using the tool in the browser from emailing a result. No calculation logic changed.	Data-handling accuracy review
2026-09-25	v1.2	FTD updated Element 4 (Data Handling) for a change in how the email form works. The email function now accepts only FTD's own tool names, turns web addresses outside federaltaxdesk.com and the government sites FTD's tools cite into plain text, and saves send counts in Netlify's storage under keyed hashes of the email and IP addresses, which FTD's code deletes within two days; it no longer keeps the plain address in memory. No calculation logic changed.	Email endpoint hardening and share-link privacy fix
2026-09-25	v1.3	FTD rewrote the §7216 statement in Element 4 (Data Handling). It now rests on FTD not being a tax return preparer under IRC §7216(a) and Treas. Reg. §301.7216-1(b)(2): FTD's tools estimate, check, and analyze but do not prepare or file income tax returns, and FTD does not hold itself out as providing return-preparation or auxiliary services. The statement no longer depends on where the calculation runs, and it gives no §7216 instructions for emailing or sharing a result. No calculation logic changed. Element 4 also now uses the plain-words wording written for individual taxpayers, because the calculator page moved to the taxpayer section of the site on 2026-09-25.	§7216 basis determination (Forrest Baumhover, 2026-09-25)

2026-09-25	v1.4	FTD rewrote the text every card shares, from one shared source. "How to use this card" now states what Circular 230 §10.36 and OPR Alert 2026-19 say, and calls the completed card a record of the firm's review instead of the §10.36 vetting documentation. Element 5 now limits the OPR Alert sentence to AI tools, which the Alert addresses, and opens in the active voice; its heading names SSTS 1.4 only where the statement mentions it. The Firm Adoption Record's inventory checkbox no longer names a §10.36 AI tool inventory. No calculation logic or tax figure changed.	Card template accuracy review
2026-09-26	v1.5	Element 5 now states the Circular 230 §10.35 standard in the regulation's own words (a practitioner must possess the necessary competence to engage in practice before the Internal Revenue Service) instead of "technological competence", a phrase OPR Alert 2026-19 uses but §10.35 does not. No card cites SSTS 1.4 any longer; FTD could not open the AICPA text of that standard to verify it. No calculation logic changed. Table B's heading no longer carries an internal document code, and its last column now reads "What it affected" instead of "Affected TCs".	Citation review

Table B — Correction Log

Date	Error Class	Description	Authority	What it affected
2026-09-20	No corrections to date	No error has been found in this tool since release. A pre-release check found that a first summary of Worksheet 1 was garbled; the worksheet was re-read from the primary text before any code was written.	IRS Publication 915 (2025), Worksheet 1	N/A — pre-build catch, no shipped code affected

2026-09-25	Compliance statement defect	"How to use this card" said OPR Alert 2026-19 requires firms to vet third-party tools, and called the completed card "the §10.36 vetting documentation for this tool." Element 5 said the Alert "confirms that practitioners may not delegate professional judgment to software tools." §10.36 sets no vetting or documentation requirement of its own; the Alert says firms must have AI policies and procedures, and that those procedures should include vetting third-party AI tools; it addresses AI tools, not software tools in general.	31 C.F.R. §10.36 (eCFR, read 2026-09-25); OPR Alert 2026-19 (IRS, June 24, 2026)	N/A — card wording only; no calculation logic changed
2026-09-26	Citation defect	Element 5 said Circular 230 §10.35 requires "technological competence." §10.35(a) requires a practitioner to "possess the necessary competence to engage in practice before the Internal Revenue Service"; "technological competence" is OPR Alert 2026-19's phrase in its discussion of §10.35. FTD replaced it with the regulation's wording.	31 C.F.R. §10.35(a) (eCFR, read 2026-09-26); OPR Alert 2026-19 (IRS, June 24, 2026)	N/A — card wording only; no calculation logic changed

FIRM ADOPTION RECORD

Practitioner who reviewed and adopted this tool (name and credentials):

Firm name:

Date of initial review:

Base and adjusted base amounts verified against IRC §86(c) on:

Initials:

☐ The firm added this card to its list of third-party tools.