



**SAVE FIRST**

**Advanced Training  
Fall Refresher**

# The impact SaveFirst Volunteers will have this season

- Serve more than 13,000 families this year
- Save families over \$5 million in commercial fees
- Provide a quality, reliable service and an alternative to a costly, predatory industry for hard-working families
- SaveFirst: An Initiative of Impact America

# Resources

- [SaveFirst Training Summary Chart](#)
- [SaveFirst Training Scope of Service Chart](#)
- [SaveFirst Training TaxSlayer Exercise](#)
- [Pub 4012 Selections](#)
- [impactamerica.com/taxprep](http://impactamerica.com/taxprep)
- Impact America Staff

# Basic Training Refresher Outline

- Conducting a Thorough Interview
- Exemptions (Part II of I/I form)
- Filing Status (Part II of I/I form)
- Filing Basics
- Income (Part III of I/I form)
- Expenses (Part IV of I/I form)

# Basic Training Refresher Outline

- Refund and Amount of Tax Owed
- Health Care Coverage (Part V of I/I form)
- Tax Preparation Process



# SAVE FIRST

**Conducting a Thorough  
Interview**

# Interview Objectives

**After completing this section, the volunteer will be able to:**

- **Conduct a thorough interview with taxpayer to ensure accurate return preparation**
- **Navigate use of I/I form, Scope of Service Chart, and Summary Chart to complete return**

# Conducting a Thorough Interview

- Taxpayer completes pages 1, 2, and 3 of Intake/Interview Form.
- Verify photo ID(s) & Social Security card(s)
- Go through the entire I/I form with them, asking clarifying questions and determining what is in scope for you.
- Ensure taxpayer cannot be a dependent of anyone else (Pub 4012: Tab C)
- Determine dependents (Pub 4012: Tab C)
- Determine filing status (Pub 4012: Tab B)

# Conducting a Thorough Interview

- The first thing you ask from the taxpayer is for photo ID and Social Security Card
- If a taxpayer is filing jointly with a spouse, the spouse needs to be present with their photo ID and Social Security Card as well.

# Conducting a Thorough Interview

## ➤ Photo IDs

- Verify photo IDs for taxpayer (and spouse)

## ➤ Social Security cards

- Verify photo IDs for taxpayer (and spouse)

AND dependents

- Enter name EXACTLY as it appears on SS card!

# Conducting a Thorough Interview: Acceptable forms of social security identification

- Form SSA-1099 statement
- Medicare Card (with an "A" after the SSN)
- ITIN card
  - Issued for nonresidents who need to file tax returns but cannot receive SS cards
  - 9XX-XX-XXXX (enter just like SS number)
- ATIN for dependent
  - Issued for child while adoption is pending
  - 9XX-XX-XXXX (enter just like SS number)

# Conducting a Thorough Interview

- What if a taxpayer doesn't have their social security card for themselves/dependents?
  - they lost it
  - they don't have one
  - they left it at home
- We have to see the card (or acceptable replacement) in order to submit the return!
- They can start the return with us, but in order to e-file, they will need to return with the social security card (or acceptable replacement).

# Conducting a Thorough Interview

- What about.....
  - They did their return here at the site last year
  - the SSN is on their prior year tax return they brought in
  - the SSN is on the taxpayer's W-2
- None of these are acceptable forms of verification because they were not documents issued by the social security administration!

# Conducting a Thorough Interview

- Once you've verified the photo ID and Social Security Card, you need to go through the entire I/I form with the taxpayer, asking clarifying questions and making sure it is filled out completely.

# Conducting a Thorough Interview

- You may find out that the taxpayer has a form that is **out of scope** for us!
  - We don't want to waste a taxpayer's time
  - We have a "Scope of Service Chart" that you'll use to determine if something is out of scope
- Better to catch this at the beginning of the process than at the end!

# Conducting a Thorough Interview

- REVIEW pages 1-3 of I/I Form and ask clarifying questions:
  - I see you marked that you are unmarried and have no one else living in your home?
  - Collect necessary forms
  - “Yes” or “No” answer for all questions on page 2

# Conducting a Thorough Interview

- All applicable provisions of ACA were considered for each person named on the tax return and were entered correctly.

Certified Volunteer Preparer Name:

---

Certified Quality Reviewer Name:

---

Additional Notes:

---

---

Write full name  
on the  
Intake/Interview  
Supplement  
form!



# Conducting a Thorough Interview

- You need to go through the *entire* I/I form and ask clarifying questions and make sure everything has been filled out.
- If the taxpayer left a question blank, you need to ask and clarify, then fill out the answer on the I/I form.
- Before you start the return in TaxSlayer, the *entire* I/I form needs to be completely filled out!

# Conducting a Thorough Interview

- Always consult the Scope of Service Chart to see if the income/expense/life event is in scope for your level of certification.
- If something is **out of scope** for you, put the form to the side and make a note on the I/I supplement form for the advanced volunteer.

# Conducting a Thorough Interview

- Taxpayer has a form and you can't find it on the scope of service chart or summary chart?
  - Call over a Site Coordinator to determine if the form is in scope
- We want to determine if something is **out of scope** as early in the process as possible!

# Conducting a Thorough Interview

- Once you have gone through the I/I form, you need to use the Pub 4012 to determine dependency exemptions and filing status

# Conducting a Thorough Interview

- Complete part of Section II “To be completed by a Certified Volunteer Preparer”
- Determine dependency exemptions (Pub 4012: Tab C)
- Determine filing status (Pub 4012: Tab B)
- *We will discuss dependency exemptions and filing status in depth shortly.*

# Conducting a Thorough Interview

- You get to know the taxpayer and build a relationship
- You might miss credits and deductions that could increase the taxpayer's refund
- You might miss important income documents that must be recorded
- You may find that the return is out of scope
- Required by the IRS for due diligence

# Conducting a Thorough Interview – Why conduct an interview?

- You find out if any income documents or expenses need to be entered by a more advanced volunteer.
- A diligent and thorough interview saves a huge amount of time in the long run!



# SAVE FIRST

**Exemptions (Part II of I/I form)**

# Exemptions Objectives

**After completing this section, the volunteer will be able to:**

- **Determine a taxpayer's eligibility for a personal exemption**
- **Assess whether a person qualifies as a dependent of a taxpayer**

# Exemption

- A taxpayer may claim 2 types of exemptions:
  - Personal exemption
    - Taxpayer can claim themselves (and spouse)
  - Dependency exemption
    - Taxpayer can claim qualifying dependents

# Dependent

- An individual whom the taxpayer supports or lives with the taxpayer
  - Qualifying child
  - Qualifying relative

# Exemptions

➤ Let's look at the I/I form:

2. List the names below of:

- **everyone** who lived with you last year (*other than your spouse*)
- **anyone** you supported but did not live with you last year

If additional space is needed check here  and list on page 3

									<b>To be completed by a Certified Volunteer Preparer</b>				
Name ( <i>first, last</i> ) Do not enter your name or spouse's name below	Date of Birth ( <i>mm/dd/yy</i> )	Relationship to you ( <i>for example: son, daughter, parent, none, etc</i> )	Number of months lived in your home last year	US Citizen ( <i>yes/no</i> )	Resident of US, Canada, or Mexico last year ( <i>yes/no</i> )	Single or Married as of 12/31/18 ( <i>S/M</i> )	Full-time Student last year ( <i>yes/no</i> )	Totally and Permanently Disabled ( <i>yes/no</i> )	Is this person a qualifying child/relative of any other person? ( <i>yes/no</i> )	Did this person provide more than 50% of his/her own support? ( <i>yes/no</i> )	Did this person have less than \$4,150 of income? ( <i>yes/no</i> )	Did the taxpayer(s) provide more than 50% of support for this person? ( <i>yes/no/N/A</i> )	Did the taxpayer(s) pay more than half the cost of maintaining a home for this person? ( <i>yes/no</i> )
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)					

During the interview process, you will refer to this part of the I/I form and clarify with the taxpayer to ensure they answered the question correctly.

# Personal Exemptions

- Taxpayers can claim exemptions for:
  - Taxpayer UNLESS the taxpayer can be claimed as a dependent by someone else.
  - Spouse UNLESS the spouse can be claimed as a dependent by someone else.

# Personal Exemptions

## *Remember:*

It's not whether the taxpayer IS claimed as a dependent, but whether the taxpayer CAN BE claimed as a dependent that determines whether the taxpayer can claim an exemption.

# Personal Exemptions

➤ Let's look at the I/I form

10. Can anyone claim you or your spouse on their tax return?  Yes  No  Unsure

# Dependency Exemptions

- Prior to new tax law, each exemption would decrease taxpayer's taxable income by a certain amount (4,050 in TY 2017)
- A taxpayer can claim exemptions for:
  - qualifying children
  - qualifying relatives
- These qualifying individuals *usually* live in the taxpayer's home and generally receive significant support from the taxpayer

# Dependency Exemptions

- Even though taxpayers will not get a certain amount for their dependents, you still need to determine the dependents for other tax benefits (Filing Status, Credits, etc.)

# Determining Dependency Exemptions

Open the Publication 4012 to the Exemptions Tab to  
Table 1: Dependency Exemption

***ALWAYS BEGIN WITH THIS CHART TO  
DETERMINE IF A PERSON QUALIFIES  
AS A DEPENDENT***

# Dependency Exemptions

➤ Let's look at the I/I form:

2. List the names below of:

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- **anyone** you supported but did not live with you last year

If additional space is needed check here  and list on page 3

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Name ( <i>first, last</i> ) Do not enter your name or spouse's name below	Date of Birth ( <i>mm/dd/yy</i> )	Relationship to you ( <i>for example: son, daughter, parent, none, etc</i> )	Number of months lived in your home last year	US Citizen ( <i>yes/no</i> )	Resident of US, Canada, or Mexico last year ( <i>yes/no</i> )	Single or Married as of 12/31/18 ( <i>S/M</i> )	Full-time Student last year ( <i>yes/no</i> )	Totally and Permanently Disabled ( <i>yes/no</i> )	Is this person a qualifying child/relative of any other person? ( <i>yes/no</i> )	Did this person provide more than 50% of his/her own support? ( <i>yes/no</i> )	Did this person have less than \$4,150 of income? ( <i>yes/no</i> )	Did the taxpayer(s) provide more than 50% of support for this person? ( <i>yes/no/N/A</i> )	Did the taxpayer(s) pay more than half the cost of maintaining a home for this person? ( <i>yes/no</i> )
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)					

As you go through the Pub 4012 and ask questions to determine exemptions, answer "Yes/No" in the shaded area.

# Qualifying Child or Qualifying Relative?

- If no one else can claim the taxpayer or spouse as a dependent, you need to determine if the other people living in the house can be **Qualifying Children**, and if not see if they can be **Qualifying Relatives**
- Remember: Each exemption will result in possible tax benefits (Nonrefundable and Refundable Credits)

# Note: Taxpayers with ITIN Cards

- **Remember:** Taxpayers receive ITIN numbers if they are nonresidents but need to file a tax return and cannot obtain a SSN
- If a taxpayer lived in the United States all year and has an ITIN card, they will be considered a **resident alien** for tax purposes
- A “child” passes the citizenship test in this situation

# “Permanently and Totally Disabled”

- A person is considered permanently and totally disabled if he or she cannot engage in any substantial gainful activity because of a physical or mental condition, AND
- A doctor determines the condition has lasted or can be expected to last continuously for at least a year or can lead to death

# “Temporary Absences”

- A child is considered to have lived with you during periods of time when one of you, or both are temporarily absent due to illness, education, business, vacation, military service, or detention in a juvenile facility

# Dependency Exemptions

- When you have asked all of the Pub 4012 questions, the entire section should now be filled out correctly.
- Don't forget to change any part the taxpayer may have originally entered incorrectly.

2. List the names below of:

- **everyone** who lived with you last year (*other than your spouse*)
- **anyone** you supported but did not live with you last year

If additional space is needed check here  and list on page 3

									To be completed by a Certified Volunteer Preparer				
Name ( <i>first, last</i> ) Do not enter your name or spouse's name below	Date of Birth ( <i>mm/dd/yy</i> )	Relationship to you ( <i>for example: son, daughter, parent, none, etc</i> )	Number of months lived in your home last year	US Citizen ( <i>yes/no</i> )	Resident of US, Canada, or Mexico last year ( <i>yes/no</i> )	Single or Married as of 12/31/18 ( <i>S/M</i> )	Full-time Student last year ( <i>yes/no</i> )	Totally and Permanently Disabled ( <i>yes/no</i> )	Is this person a qualifying child/relative of any other person? ( <i>yes/no</i> )	Did this person provide more than 50% of his/her own support? ( <i>yes/no</i> )	Did this person have less than \$4,150 of income? ( <i>yes/no</i> )	Did the taxpayer(s) provide more than 50% of support for this person? ( <i>yes/no/N/A</i> )	Did the taxpayer(s) pay more than half the cost of maintaining a home for this person? ( <i>yes/no</i> )
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)					
Tommy Taxpayer	05/05/2010	son	12	yes	yes	single	<del>yes</del> <sup>no</sup>	no	no	no	yes	yes	yes

# What if the parents live apart?

- The *custodial* parent generally claims the dependency exemption for his/her child
- The *noncustodial* parent can claim the exemption if the parents have signed an agreement
  - Form 8332 (REQUIRED for post-2008 divorce)

This situation is complicated to determine. SEE YOUR SITE COORDINATOR



# SAVE FIRST

**Filing Status (Part II of I/I form)**

# Filing Status Objectives

**After completing this section, the volunteer will be able to:**

- **Choose the most advantageous (and allowable) filing status for a taxpayer**

# Filing Status

- Based on marital status and family situation
  - Single
  - Married Filing Jointly
  - Married Filing Separately
  - Head of Household
  - Qualifying Widow(er) with Dependent Child

# Determining Filing Status

Open the Publication 4012 to the Filing Status Tab to Chart: Determination of Filing Status – Decision Tree, Chart: Filing Status, and Chart: Who is a Qualifying Person Qualifying You To File as Head of Household

***ALWAYS USE THESE CHARTS TO DETERMINE A TAXPAYER'S FILING STATUS***

# Determining Filing Status

## ➤ Let's look at the I/I form

### Part II – Marital Status and Household Information

1. As of December 31, 2018, what was your marital status?  Never Married (This includes registered domestic partnerships, civil unions, or other formal relationships under state law)  Married
- a. If Yes, Did you get married in 2018?  Yes  No
- b. Did you live with your spouse during any part of the last six months of 2018?  Yes  No
- Divorced Date of final decree
- Legally Separated Date of separate maintenance agreement
- Widowed Year of spouse's death

2. List the names below of:

During the interview process, you will refer to this part of the I/I form and clarify with the taxpayer to ensure they answered the question correctly.

# Single

- If on the last day of the tax year (Dec. 31<sup>st</sup>), the taxpayer was
- Not married OR
  - Legally separated/divorced OR
  - Widowed

## IMPORTANT:

Some taxpayers considered single can also file under a more advantageous status (HoH or QW).  
Be sure to check all options!

# Married Filing Jointly

- If on the last day of the tax year,
  - They lived together as a married couple OR
  - They lived apart but were not legally separated/divorced OR
  - One spouse died during the year, and the taxpayer did not remarry.

# Married Filing Separately

- Married taxpayers can also file separately;  
**HOWEVER,**
  - If one spouse itemizes, the other spouse must itemize.
  - Taxpayers filing with this status are not eligible to claim several tax credits.

**Be careful!**  
**This status generally results in  
a HIGHER overall TAX.**

# Why Do Some Choose MFS?

- Sometimes MFS is chosen when one spouse does not want to be responsible for the other spouse's tax obligations or filing separately may result in a lower total tax (**this is rare**)
- Sometimes to avoid an offset of their refund against their spouse's outstanding debts (child support, student loans, etc.)
- Note: Even in these circumstances, there may be other options that allow them to file jointly and not be responsible for these debts (Injured Spouse Form)

# Why Do Some Choose MFS?

- **Note:** Sometimes taxpayers must file separately because they are separated and not in communication with their spouse and don't have the option of filing jointly

# Note

- If a spouse died during the tax year, and the taxpayer did not remarry, they are considered married for the entire year.
- The surviving spouse is eligible to file as MFJ or MFS.
- Surviving spouses that remarry must file with the new spouse, as MFJ or MFS.
  - The deceased spouse's filing status becomes MFS.

# Head of Household

- This is the most complicated filing status to determine, yet it is one of the most common at SaveFirst tax sites
- There are two scenarios when a taxpayers can file Head of Household:

# Head of Household

## ➤ Scenario #1: Married Taxpayers

- Must be “considered unmarried”\*
- File a separate return from spouse
- Maintain more than half the costs of keeping up a home
- The home is the main home for a dependent child, stepchild, or foster child for more than ½ the year
  - Note: A grandchild does NOT meet this test
- The taxpayer claims an exemption for the child

# “Considered Unmarried”

- A legally married taxpayer can be considered unmarried if s/he has not lived with the spouse at any time during the last six months of the tax year.

# Head of Household

## ➤ Scenario #2: Single Taxpayers

- Maintain more than half the costs of keeping up a home
- A "qualifying person" lived with the taxpayer for more than  $\frac{1}{2}$  the year

# Head of Household: Qualifying Person

See

Who Is a Qualifying Person Qualifying You  
To File as Head of Household

in the

**Filing Status** Tab of the Pub 4012

for a list of qualifying persons

# Head of Household: Qualifying Person

- In general, a **qualifying child** is a qualifying person
  - Whether or not the taxpayer claims the exemption
- In general, a **qualifying relative** is a qualifying person if:
  - The taxpayer can claim the exemption for the person
  - The person meets one of the relationships listed
  - The person lives with the taxpayer for more than  $\frac{1}{2}$  the year
    - Exception: a mother/father who is a qualifying relative does not have to live in the home with the taxpayer

# Head of Household: Separated Parents

- Even if the custodial parent has given up his/her right to claim the dependency exemption for a child (Form 8332), s/he can file Head of Household using that child as her/his qualifying person
- Noncustodial parent can never claim Head of Household

**This situation is complicated to determine.  
SEE YOUR SITE COORDINATOR**

# Qualifying Widow(er) with Dependent Child

- A taxpayer files QW if his/her
  - Spouse died recently, AND
  - The taxpayer did not remarry, AND
  - The taxpayer has a dependent child (son, daughter, stepson, stepdaughter), AND
  - The taxpayer provides over half the costs to maintain the main home for taxpayer and child.

# Unmarried, Widowed Taxpayer?

- If the spouse died during the current tax year:  
**Married Filing Jointly**
- If the spouse died during one of the two preceding tax years and taxpayer has a qualifying child: **Qualifying Widow(er)**
- If the spouse died three or more years before the current year: **Single or Head of Household**

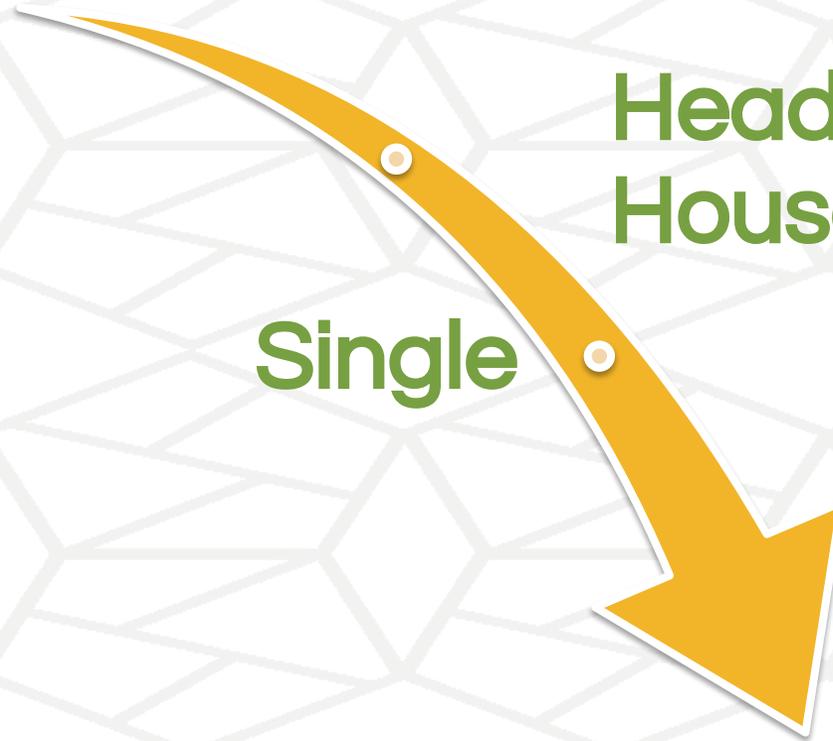
# From Lowest to Highest Tax Burden

Married Filing Jointly & Qualifying Widow(er)

Head of Household

Single

Married Filing Separately



# Exercise(video)

Lily left her husband in August of the tax year, but they did not get divorced. She took her children with her, supported them during all of the tax year, and will claim them as dependents. Lily refuses to file a joint return with her husband.

Which filing status should she use?

# Exercise – Answer

**Married Filing Separately.**

**Because Lily lived with her husband for *some part* of the last six months of the year, she cannot file as Head of Household.**



**SAVE FIRST**

**Filing Basics**

# Filing Basics Objectives

**After completing this section, the volunteer will be able to:**

- **Verify that a taxpayer is required to file a tax return**
- **Recommend when a taxpayer should file a tax return, even if not required to**

# Who Must File?

- To decide whether someone must file a tax return, you need to know the individual's:
  - Age
  - Gross income (approximate)
    - All the income received during the year in the form of money, goods, property and services not exempt from tax (earned and unearned)
    - Do not include Social Security unless
      - MFS and lived with spouse at any time during year OR
      - $\frac{1}{2}$  of Social Security + other gross income and any tax-exempt interest is more than \$25,000 (\$32,000 if MFJ)
  - Filing status

# Who is Legally Required to File a Return?

Use Who Must File Tab in the Pub 4012

Chart A – For Most People Who Must File

Chart B – For Children and Other Dependents

Chart C – Other Situations When You Must File

Chart D – Who Should File

# Children & Other Dependents

- Refer to Chart B under **Who Must File** Tab
- If a parent *can* claim a child as a dependent, the dependent may still need to file a return
- A dependent needs to file a return if **earned income is greater than \$6,3XX**

# Other Situations When You Must File

- Taxpayer owes special taxes
- Taxpayer received Health Savings Account distributions
- Taxpayer has net self-employment earnings of at least \$400
- Taxpayer received an advanced premium tax credit to pay for health insurance

# Who Should File

- Had income tax withheld from pay
- Made estimated tax payments
- Qualify for the Earned Income Credit
- Qualify for Additional Child Tax Credit
- Qualify for American Opportunity Credit



# SAVE FIRST

**Income (Part III of I/I form)**

# Income Objectives

**After completing this section, the volunteer will be able to:**

- **Recognize various types of income documents**
- **Summarize the taxability of each type of income to the taxpayer**
- **Use I/I form, Scope of Service, Summary Chart to ensure accurate return preparation**

# Income

## ➤ Let's look at the I/I form:

Check appropriate box for each question in each section			
Yes	No	Unsure	Part III – Income – Last Year, Did You (or Your Spouse) Receive
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. (B) Wages or Salary? (Form W-2) If yes, how many jobs did you have last year? _____
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2. (A) Tip Income?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3. (B) Scholarships? (Forms W-2, 1098-T)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4. (B) Interest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5. (B) Refund of state/local income taxes? (Form 1099-G)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6. (B) Alimony income or separate maintenance payments?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. (A) Self-Employment income? (Form 1099-MISC, cash)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. (A) Cash/check payments for any work performed not reported on Forms W-2 or 1099?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. (A) Income (or loss) from the sale of Stocks, Bonds or Real Estate? (including your home) (Forms 1099-S, 1099-B)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10. (B) Disability income? (such as payments from insurance, or workers compensation) (Forms 1099-R, W-2)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11. (A) Retirement income or payments from Pensions, Annuities, and or IRA? (Form 1099-R)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12. (B) Unemployment Compensation? (Form 1099G)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13. (B) Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14. (M) Income (or loss) from Rental Property?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15. (B) Other income? (gambling, lottery, prizes, awards, jury duty, Sch K-1, royalties, foreign income, etc.) Specify _____

During the interview process, you will refer to this part of the I/I form and clarify with the taxpayer to ensure they answered the question correctly. Ask clarifying questions: If they only marked having one type of income, you should ask "Did you have any other types of income? Interest or self-employment? What about Social Security or retirement?"

# Income

Check appropriate box for each question in each section

Yes	No	Unsure	Part III – Income – Last Year, Did You (or Your Spouse) Receive
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. (B) Wages or Salary? (Form W-2) If yes, how many jobs did you have last year? _____
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2. (A) Tip Income?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3. (B) Scholarships? (Forms W-2, 1098-T)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4. (B) Interest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV)
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<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10. (B) Disability income? (such as payments from insurance, or workers compensation) (Forms 1099-R, W-2)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11. (A) Retirement income or payments from Pensions, Annuities, and or IRA? (Form 1099-R)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12. (B) Unemployment Compensation? (Form 1099G)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13. (B) Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14. (M) Income (or loss) from Rental Property?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15. (B) Other income? (gambling, lottery, prizes, awards, jury duty, Sch K-1, royalties, foreign income, etc.) Specify _____

All of these boxes must be checked yes or no. Otherwise, the document is incorrectly filled out. If the taxpayer marked unsure, clarify with them what the question is asking and change the checkbox to "Yes" or "No" accordingly.

# Income

- Let's look at the scope of service chart!
- If a form is **out of scope** for you, just set it aside for your advanced volunteer and make a note on the I/I supplement form.

Category on I/I form	Line on I/I form	Description	Information Reporting Document	SaveFirst Basic	SaveFirst Advanced	SaveFirst Site Coordinator
Marital Status and Household Information	1.	Single		✓	✓	✓
		Married filing jointly		✓	✓	✓
		Married filing separately		✓	✓	✓
		Head of Household		✓	✓	✓
		Qualifying Widow(er)		✓	✓	✓
Marital Status and Household Information	2.	Exemptions		✓	✓	✓
Income	Line 1.	Wages, salaries, tips, etc.	W-2	✓	✓	✓
Income	Line 4.	Taxable interest, tax-exempt interest	1099-INT, Sch K-1	✓ -1099-INT ONLY	✓ -1099 INT ONLY	✓
Income	Line 4.	Ordinary dividends, qualified dividends	1099-DIV, Sch K-1	✓ - 1099-DIV ONLY	✓ - 1099-DIV ONLY	✓
Income	Line 5.	Taxable Refunds, etc.	1099-G	X	✓	✓
Income	Line 6.	Alimony Received		X	✓	✓
Income	Line 7.	Business Income	1099-Misc, Box 7	X	✓ - with Sch C limitations	✓ - with Sch C limitations
Income	Line 9.	Capital gain or loss	1099-B, 1099-S, 1099-A	X	X	✓
Income	Line 11.	IRA Distributions, determining taxable amount	1099-R	X	✓ - taxable amount already determined	✓
Income	Line 11.	Pensions and annuities, determining taxable amount	1099-R, RRB 1099-R	X	✓ - 1099-R taxable amount already determined	✓
Income	Line 14.	Rental Real Estate	1099-MISC	X	X	X
Income	Line 15.	Royalties	Sch K-1	X	X	✓
Income	Line 12.	Unemployment compensation	1099-G	✓	✓	✓
Income	Line 13.	Social security benefits	SSA-1099, RRB-1099	✓	✓	✓
Income	Line 15.	Other income, varies	1099-MISC Box 3, W2G, etc	✓ *Note 1	✓ *Note 1	✓ *Note 1

# Income

- Making notes on the I/I supplement form is crucial!
- It lets the Site Coordinator know what needs to be entered in addition to the Quality Review

year

<b>Certified Volunteer Preparer Name:</b> _____	<b>Return Status:</b>
<b>Certified Quality Reviewer Name:</b> _____	<input type="checkbox"/> Ready to E-file
	<input type="checkbox"/> Outstanding *explain below
	<input type="checkbox"/> Paper File *explain below
<b>Additional Notes:</b> _____	
Need to enter: Capital gains 1099-B	
_____	
_____	

# Taxable Income

- Wages
- Unemployment Compensation
- Some Social Security Benefits
- Self-Employment Income
- Nonemployee Compensation
- Dividends
- Interest
- Gambling Winnings
- Awards
- Prizes
- Punitive Damages (from a Lawsuit Settlement)
- Refund of State Taxes
- Jury Duty Fees
- Tips
- Retirement Annuities
- Retirement Pensions
- Retirement IRA Distributions

# Nontaxable Income

- Child Support
- Gifts
- Life Insurance Proceeds
- Other Insurance Payments
- Sickness/Injury Payments  
(Third Party Sick Pay)
- Public Assistance Payments
- Worker's Compensation
- Veterans' Benefits
- Supplemental Security Income  
(SSI)
- Inheritances
- Federal Income Tax Refunds

# Taxable & Nontaxable Income

Open the Publication 4012 to the Income Tab to  
Income Quick References Guide  
for a more complete listing of  
taxable and nontaxable income

# Earned vs. Unearned Income

## Earned Income

Income received through work

Wages, salaries, tips, self-employment

“Income you have to work for”

## Unearned Income

Income other than pay for work

Produced by investments (interest on savings, dividends on stocks), social security benefits, retirement savings

“Income that works for you”

# Form W-2: Wage and Tax Statement

22222		a Employee's social security number		OMB No. 1545-0008			
b Employer identification number (EIN)			1 Wages, tips, other compensation		2 Federal income tax withheld		
c Employer's name, address, and ZIP code			3 Social security wages		4 Social security tax withheld		
			5 Medicare wages and tips		6 Medicare tax withheld		
			7 Social security tips		8 Allocated tips		
d Control number			9		10 Dependent care benefits		
e Employee's first name and initial		Last name	Suff.	11 Nonqualified plans		12a	
f Employee's address and ZIP code				13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>		12b	
				14 Other		12c	
						12d	
15 State	Employer's state ID number		16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

Form **W-2** Wage and Tax Statement **20** Department of the Treasury—Internal Revenue Service  
 Copy 1—For State, City, or Local Tax Department

# Form W-2: Wages, Tips, Other Compensation

- Classified as **earned income**
- The federal tax system is a “pay as you go” system, meaning that tax is paid as income is earned during the year
- The tax paid is referred to as **withholding**

# Form SSA-1099: Social Security Benefit Statement

FORM SSA-1099 – SOCIAL SECURITY BENEFIT STATEMENT		
<b>20</b>		
<ul style="list-style-type: none"> <li>• PART OF YOUR SOCIAL SECURITY BENEFITS SHOWN IN BOX 5 MAY BE TAXABLE INCOME.</li> <li>• SEE THE REVERSE FOR MORE INFORMATION.</li> </ul>		
Box 1. Name <b>Kevin R Kent</b>		Box 2. Beneficiary's Social Security Number <b>211-XX-XXXX</b>
Box 3. Benefits Paid in 2014 <b>\$13,682.00</b>	Box 4. Benefits Repaid to SSA in 2014 <b>\$0.00</b>	Box 5. Net Benefits for 2014 (Box 3 minus Box 4) <b>\$13,682.00</b>
<b>DESCRIPTION OF AMOUNT IN BOX 3</b>  Paid by check or direct deposit: \$10,925.20  Medicare Part B premiums deducted from your benefits: \$1,198.80  Medicare Prescription Drug premiums (Part D) deducted from your benefits: \$600.00  Total Additions: \$13,682.00		<b>DESCRIPTION OF AMOUNT IN BOX 4</b>  Box 6. Voluntary Federal Income Tax Withholding \$958.00  Box 7. Address  <b>Kevin R Kent</b> <b>8705 Somersby Way</b> <b>Birmingham, AL 35205</b>  Box 8. Claim Number (Use this number if you need to contact SSA.)
Form SSA-1099-SM (1-2012) <b>DO NOT RETURN THIS FORM TO SSA OR IRS</b>		

# Form SSA-1099: Social Security Benefits

- Social Security benefits include monthly retirement, survivor, and disability benefits
- They do NOT include Supplemental Security Income (SSI): aimed at helping low-income elderly, blind, and disabled individuals pay for basic needs
- Classified as **unearned income**

# Form SSA-1099: Social Security Benefits

- Some portion of the Social Security benefits may be taxable.
  - Generally, if Social Security benefits are the only source of income, then they are not taxable.
  - Dependent upon filing status and other reportable income
  - As the preparer, simply input the SSA-1099 and the software calculates the taxable portion!

# Form SSA-1099: Box 3

- Many taxpayers will have Medicare insurance premiums (part B) and/or Medicare prescription drug premiums (part D) deducted from benefits
- Some taxpayers may have received a lump-sum benefit payment (for current tax year and prior tax years)

**See your site coordinator if a taxpayer received lump-sum benefits**

# Form 1099-G: Certain Government Payments

<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED				<b>Certain Government Payments</b>	
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Unemployment compensation	OMB No. 1545-0120		<b>Copy 1 For State Tax Department</b>
		\$	20		
PAYER'S federal identification number    RECIPIENT'S identification number		2 State or local income tax refunds, credits, or offsets			
		\$			
RECIPIENT'S name		3 Box 2 amount is for tax year	4 Federal income tax withheld		
		\$	\$		
Street address (including apt. no.)		5 RTAA payments	6 Taxable grants		
		\$	\$		
City or town, state or province, country, and ZIP or foreign postal code		7 Agriculture payments	8 Check if box 2 is trade or business income <input type="checkbox"/>		
		\$			
Account number (see instructions)		9 Market gain			
		\$			
		10a State	10b State identification no.	11 State income tax withheld	
				\$	
				\$	

Form **1099-G**

[www.irs.gov/form1099g](http://www.irs.gov/form1099g)

Department of the Treasury - Internal Revenue Service

# Form 1099-G: Unemployment Compensation

- Unemployment compensation is fully taxable income
- Classified as **unearned income**
- Taxpayers can choose to have federal income tax withheld on unemployment compensation

# Form 1099-G: 20XX State Tax Refund

- The Prior Year's State Tax Refund may be taxable and need to be reported
- Three conditions must be met:
  - a. Received a state refund in prior year
  - b. Itemized deductions on federal in prior year
  - c. Deducted state income tax NOT sales tax when itemized on federal in prior year (Sch A line 5a/5b)

# Household Employee Income

- If a household employee earns less than \$2,100 a year, the employer is not required to issue a Form W-2
- However, this income must still be reported on the taxpayer's income tax return
- Classified as **earned income**

# Form 1099-INT: Interest Income

<input type="checkbox"/> CORRECTED (if checked)		OMB No. 1545-0112		<b>Interest Income</b>
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		Payer's RTN (optional)	20	
		1 Interest income	Form <b>1099-INT</b>	
PAYER'S federal identification number		2 Early withdrawal penalty		<b>Copy B For Recipient</b>
		3 Interest on U.S. Savings Bonds and Treas. obligations		
RECIPIENT'S identification number		4 Federal income tax withheld		
RECIPIENT'S name		5 Investment expenses		
		6 Foreign tax paid		
Street address (including apt. no.)		7 Foreign country or U.S. possession		
City or town, state or province, country, and ZIP or foreign postal code		8 Tax-exempt interest		
		9 Specified private activity bond interest		
FATCA filing requirement <input type="checkbox"/>		10 Market discount		
		11 Bond premium		
Account number (see instructions)		12		
		13 Bond premium on tax-exempt bond		
14 Tax-exempt and tax credit bond CUSIP no.		15 State	16 State identification no.	17 State tax withheld
				\$
				\$

This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

Form **1099-INT** (keep for your records) [www.irs.gov/form1099int](http://www.irs.gov/form1099int) Department of the Treasury - Internal Revenue Service

# Form 1099-INT: Interest & Interest on U.S. Savings Bonds & Treas. Obligations

- Money earns interest when it is:
  - Deposited into bank accounts (e.g., savings account)
  - Used to buy certificates of deposit (CDs) or bonds
- Classified as **unearned income**
- Taxpayer may have had federal income tax withheld in some circumstances

# Form 1099-DIV: Dividends and Distributions

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1a Total ordinary dividends	OMB No. 1545-0110		<b>Dividends and Distributions</b>
		\$	20		
1b Qualified dividends	Form 1099-DIV		<b>Copy B For Recipient</b>		
\$	2a Total capital gain distr.	2b Unrecap. Sec. 1250 gain			
	\$	\$			
PAYER'S federal identification number	RECIPIENT'S identification number	2c Section 1202 gain	2d Collectibles (28%) gain	<p>This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.</p>	
		\$	\$		
RECIPIENT'S name		3 Nondividend distributions	4 Federal income tax withheld		
		\$	\$		
Street address (including apt. no.)		5 Investment expenses	6 Foreign tax paid		
		\$	\$		
City or town, state or province, country, and ZIP or foreign postal code		7 Foreign country or U.S. possession	8 Cash liquidation distributions		
		\$	\$		
		9 Noncash liquidation distributions	10 Exempt-interest dividends		
		\$	\$		
		FATCA filing requirement <input type="checkbox"/>	11 Specified private activity bond interest dividends		
		\$	\$		
Account number (see instructions)		12 State	13 State identification no.		
				\$	
				\$	

Form **1099-DIV** (keep for your records) [www.irs.gov/form1099div](http://www.irs.gov/form1099div) Department of the Treasury - Internal Revenue Service

# Form 1099-DIV: Ordinary and Qualified Dividends

- A dividend is a distributions of a portion of a company's earnings to shareholders
- E.g., if a taxpayer has investments in a stock, then dividends paid by the corporation are taxable
- Classified as **unearned income**
- Taxpayer may have had federal income tax withheld in some circumstances

# Form 1099-DIV: Capital Gains Distributions

- Capital gains distributions occur when a taxpayer sells stocks and securities in a mutual fund
- Capital gains are taxable!

# Form W2-G: Certain Gambling Winnings

CORRECTED (if checked)

PAYER'S name, street address, city or town, province or state, country, and ZIP or foreign postal code  _____ _____ _____		<b>1</b> Gross winnings \$ _____	<b>2</b> Date won _____
		<b>3</b> Type of wager _____	<b>4</b> Federal income tax withheld \$ _____
		<b>5</b> Transaction _____	<b>6</b> Race _____
		<b>7</b> Winnings from identical wagers \$ _____	<b>8</b> Cashier _____
PAYER'S federal identification number _____	PAYER'S telephone number _____	<b>9</b> Winner's taxpayer identification no. _____	<b>10</b> Window _____
WINNER'S name _____		<b>11</b> First I.D. _____	<b>12</b> Second I.D. _____
Street address (including apt. no.) _____		<b>13</b> State/Payer's state identification no. _____	<b>14</b> State winnings \$ _____
City or town, province or state, country, and ZIP or foreign postal code _____		<b>15</b> State income tax withheld \$ _____	<b>16</b> Local winnings \$ _____
_____		<b>17</b> Local income tax withheld \$ _____	<b>18</b> Name of locality _____

OMB No. 1545-0238

20

Form W-2G

Certain Gambling Winnings

---

This information is being furnished to the Internal Revenue Service

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Copy B

Report this income on your federal tax return. If this form shows federal income tax withheld in box 4, attach this copy to your return.

Under penalties of perjury, I declare that, to the best of my knowledge and belief, the name, address, and taxpayer identification number that I have furnished correctly identify me as the recipient of this payment and any payments from identical wagers, and that no other person is entitled to any part of these payments.

**Signature** ▶
**Date** ▶

Form **W-2G**
[www.irs.gov/w2g](http://www.irs.gov/w2g)
Department of the Treasury - Internal Revenue Service

# Form W2-G: Certain Gambling Winnings

- A taxpayer may receive one or more Form W2-Gs reporting gambling winnings
- Classified as **unearned income**
- **Note:** If a taxpayer has gambling winnings **not** reported on a Form W2-G, they must still be reported as income on the tax return

# Form 1099-MISC: Miscellaneous Income

<input type="checkbox"/> CORRECTED (if checked)						
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Rents	OMB No. 1545-0115  <b>20</b>  Form <b>1099-MISC</b>		<b>Miscellaneous Income</b>	
		\$				
		2 Royalties				
PAYER'S federal identification number		RECIPIENT'S identification number		3 Other income	4 Federal income tax withheld	<b>Copy B For Recipient</b>
				\$	\$	
RECIPIENT'S name		5 Fishing boat proceeds	6 Medical and health care payments		This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.	
Street address (including apt. no.)		\$	\$			
City or town, state or province, country, and ZIP or foreign postal code		7 Nonemployee compensation	8 Substitute payments in lieu of dividends or interest			
Account number (see instructions)		FATCA filing requirement		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>		10 Crop insurance proceeds
		<input type="checkbox"/>		\$		\$
15a Section 409A deferrals		15b Section 409A income		11	12	
\$		\$		13 Excess golden parachute payments	14 Gross proceeds paid to an attorney	
				\$	\$	
16 State tax withheld		17 State/Payer's state no.		18 State income		
\$				\$		
\$				\$		

Form **1099-MISC**

(keep for your records)

[www.irs.gov/form1099misc](http://www.irs.gov/form1099misc)

Department of the Treasury - Internal Revenue Service

# Form 1099-MISC: Other Income

- Reported in box 3
- Other income reported in this box is generally:
  - Prizes
  - Awards
  - Taxable damages (from a lawsuit settlement)
  - Other taxable income
- Other income in box 3 is classified as **unearned income**
- Taxpayers can choose to have federal income tax withheld on other income in box 3

# Form 1099-MISC: Nonemployee Compensation

- Reported in box 7
- This is business/self-employment income
- Prior to tax year 2020
- ***Y'all will learn how to do Business Income in January!***

# 1099-NEC: Nonemployee Compensation

➤ Replaced 1099-MISC box 7 as of tax year 2020

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		OMB No. 1545-0116		<b>2020</b>	<b>Nonemployee Compensation</b>
		Form 1099-NEC			
PAYER'S TIN		RECIPIENT'S TIN	1 Nonemployee compensation		<b>Copy 1 For State Tax Department</b>
			\$		
RECIPIENT'S name		3			
Street address (including apt. no.)		4 Federal income tax withheld			
City or town, state or province, country, and ZIP or foreign postal code				\$	
		FATCA filing requirement <input type="checkbox"/>	5 State tax withheld		6 State/Payer's state no.
Account number (see instructions)				\$	\$
				\$	\$

Form **1099-NEC** [www.irs.gov/Form1099NEC](http://www.irs.gov/Form1099NEC) Department of the Treasury - Internal Revenue Service



# SAVE FIRST

**Expenses (Part IV of I/I form)**

# Expenses Objectives

**After completing this section, the volunteer will be able to:**

- **Interpret taxpayer expenses**
- **Use I/I form, Scope of Service, Summary Chart to ensure accurate return preparation**

# Expenses

- Most things in the “Expenses” category result in tax benefits that can be divided up into the following categories
  - Adjustments
  - Credits
  - Itemized deductions

# Adjustment

- Let's look at the I/I form: Some of these are adjustments, some are itemized deductions, and some are credits.

Yes	No	Unsure	Part IV – Expenses – Last Year, Did You (or Your Spouse) Pay
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. (B) Alimony or separate maintenance payments? If yes, do you have the recipient's SSN? <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2. Contributions to a retirement account? <input type="checkbox"/> IRA (A) <input type="checkbox"/> 401K (B) <input type="checkbox"/> Roth IRA (B) <input type="checkbox"/> Other
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3. (B) College or post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4. (A) Deductions: <input type="checkbox"/> Medical & Dental (including insurance premiums) <input type="checkbox"/> Mortgage Interest (Form 1098) <input type="checkbox"/> Taxes (State, Real Estate, Personal Property, Sales) <input type="checkbox"/> Charitable Contributions
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5. (B) Child or dependent care expenses such as daycare?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6. (B) For supplies used as an eligible educator such as a teacher, teacher's aide, counselor, etc.?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. (A) Expenses related to self-employment income or any other income you received?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. (B) Student loan interest? (Form 1098-E)

During the interview process, you will refer to this part of the I/I form and clarify with the taxpayer to ensure they answered the question correctly. Ask clarifying questions.

# Adjustment

- Let's look at the scope of service chart.
- If an adjustment is **out of scope** for you, just set it aside for your site coordinator and make a note on the the I/I supplement form.

Category on I/I form	Line on I/I form	Description	Information Reporting Document	SaveFirst Basic	SaveFirst Advanced	SaveFirst Site Coordinator
Expenses	Line 6.	Education Expenses		X	✓	✓
Life Events	Line 1.	Health Savings Account Deduction	5498-SA, 1099-SA, W-2	X	X	✓-only with HSA Certification
		Deductible part of self-employment tax		X	✓	✓
		Penalty on early withdrawal of savings	1099-INT	✓	✓	✓
Expenses	Line 1.	Alimony paid, recipients SSN		X	✓	✓
Expenses	Line 2.	IRA deduction	1099-R	X	✓	✓
Expenses	Line 8.	Student loan interest deduction	1098-E	X	✓	✓
Expenses	Line 3.	Tuition and fees adjustment	1098-T	X	✓	✓

# Deduction

## Standard Deduction

Based on filing status and age

Automatically calculated

## Itemized Deductions

Based on specific expenses from the year

Taxpayer can choose to enter expenses if larger than standard deduction amount

- Done by an advanced volunteer

# Deduction

- If a taxpayer has expenses they wish to itemize, an advanced volunteer will have to enter the information.
- Based on the filing status and age you input in the software, the standard deduction will automatically calculate and no extra steps need to be taken

# Standard Deduction

- Reduces amount of income that is taxed
- Amount of deduction based on
  - Filing Status
  - Age
  - Whether taxpayer/spouse is blind
  - Whether taxpayer is a dependent
- Calculated automatically in TaxSlayer

# Standard Deduction for Most Filers

Open the Publication 4012 to the Deductions Tab to  
[Exhibit 1: Standard Deduction for Most People](#)

*This table provides the standard deduction amounts for the current tax year*

# Itemized Deductions

- Instead of taking the standard deduction, a taxpayer can choose to itemize, which is to list certain deductible expenses separately, in order to receive a **greater** deduction
- The new tax law increased the standard deduction by doubling it, so many taxpayers will not itemize on the federal return

# Itemized Deductions

- Itemized deductions include (but are not limited to):
  - Unreimbursed medical expenses
  - Charitable contributions
  - Home mortgage payments

# Itemized Deductions

➤ Let's look at the I/I form

Yes	No	Unsure	Part IV – Expenses – Last Year, Did You (or Your Spouse) Pay
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. (B) Alimony or separate maintenance payments? If yes, do you have the recipient's SSN? <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2. Contributions to a retirement account? <input type="checkbox"/> IRA (A) <input type="checkbox"/> 401K (B) <input type="checkbox"/> Roth IRA (B) <input type="checkbox"/> Other
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3. (B) College or post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4. (A) Deductions: <input type="checkbox"/> Medical & Dental (including insurance premiums) <input type="checkbox"/> Mortgage Interest (Form 1098) <input type="checkbox"/> Taxes (State, Real Estate, Personal Property, Sales) <input type="checkbox"/> Charitable Contributions
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5. (B) Child or dependent care expenses such as daycare?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6. (B) For supplies used as an eligible educator such as a teacher, teacher's aide, counselor, etc.?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. (A) Expenses related to self-employment income or any other income you received?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. (B) Student loan interest? (Form 1098-E)

If the taxpayer has medical expenses, charitable contributions, home mortgage interest, or other itemizable expenses, the itemized deduction might be better than the standard.

# Itemized Deductions

➤ Let's look at the scope of service chart.

➤ **Out of Scope for Basic Volunteers**

**Impact America staff or Advanced trained volunteers must complete itemized deductions**

Category on I/I form	Line on I/I form	Description	Information Reporting Document	SaveFirst Basic	SaveFirst Advanced	SaveFirst Site Coordinator
Part I-Your Personal Information	Line 4/7 and 6c/9c	Check if: blind/born < date boxes checked		✓	✓	✓
		If your spouse itemizes on a separate return		X	✓	✓
		Standard deduction		✓	✓	✓
Expenses	Line 4	Itemized deductions		X	✓	✓
		Exemptions, Taxable Income, Excess Advance premium tax credit repayment, Tax		✓ (some out of scope)	✓ (some out of scope)	✓ (some out of scope)
		Foreign tax credit	1099-INT or 1099-DIV	X	✓	✓
Expenses	Line 5.	Credit for Child and Dependent Care Expenses	W-2 and/or provider statement	✓	✓	✓
Expenses	Line 3.	Education credits	1098-T	X	✓	✓
Expenses	Line 2.	Retirement Savings Contributions Credit	W-2 Box 12, 14	✓	✓	✓
		Child Tax Credit		✓	✓	✓
Life Events	Line 5.	Residential Energy Credit		X	✓ *Note 2	✓ *Note 2
		Credit for the elderly or disabled		✓	✓	✓

\*\*You will learn how to itemize in the January sessions!

# Tax Credit

- Direct reduction of the taxpayer's liability
- Two Types of tax credits:
  - Nonrefundable credits
  - Refundable credits

# Nonrefundable Tax Credits

- Reduces the tax liability – only to zero.
  - Child and Dependent Care Expenses Credit
  - Retirement Savings Contribution Credit
  - Child Tax Credit

# Nonrefundable Tax Credits

➤ Let's look at the I/I form:

Yes	No	Unsure	Part IV – Expenses – Last Year, Did You (or Your Spouse) Pay
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. (B) Alimony or separate maintenance payments? If yes, do you have the recipient's SSN? <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2. Contributions to a retirement account? <input type="checkbox"/> IRA (A) <input type="checkbox"/> 401K (B) <input type="checkbox"/> Roth IRA (B) <input type="checkbox"/> Other
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3. (B) College or post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4. (A) Deductions: <input type="checkbox"/> Medical & Dental (including insurance premiums) <input type="checkbox"/> Mortgage Interest (Form 1098) <input type="checkbox"/> Taxes (State, Real Estate, Personal Property, Sales) <input type="checkbox"/> Charitable Contributions
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5. (B) Child or dependent care expenses such as daycare?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6. (B) For supplies used as an eligible educator such as a teacher, teacher's aide, counselor, etc.?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. (A) Expenses related to self-employment income or any other income you received?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. (B) Student loan interest? (Form 1098-E)

We'll talk about these credits a little bit later, but if the taxpayer has expenses related to childcare or contributions to a retirement account, it should be marked correctly on the I/I form.

# Nonrefundable Tax Credits

- Let's look at the scope of service chart!
- If a credit is **out of scope** for you, just set it aside for your site coordinator and make a note on the I/I supplement form.

Category on I/I form	Line on I/I form	Description	Information Reporting Document	SaveFirst Basic	SaveFirst Advanced	SaveFirst Site Coordinator
		Foreign tax credit	1099-INT or 1099-DIV	X	✓	✓
Expenses	Line 5.	Credit for Child and Dependent Care Expenses	W-2 and/or provider statement	✓	✓	✓
Expenses	Line 3.	Education credits	1098-T	X	✓	✓
Expenses	Line 2.	Retirement Savings Contributions Credit	W-2 Box 12, 14	✓	✓	✓
		Child Tax Credit		✓	✓	✓
Life Events	Line 5.	Residential Energy Credit		X	✓ *Note 2	✓ *Note 2
		Credit for the elderly or disabled		✓	✓	✓

# Child & Dependent Care Expenses Credit

- Nonrefundable
- Applied to offset expenses paid so taxpayer **can work or look for work**
  - Dependent child under 13
  - Spouse who is incapable of self-care
  - Dependent who is incapable of self-care

# Child & Dependent Care Expenses

## Credit: Eligibility

- Care had to be for qualifying persons
- Taxpayer (and spouse) had to have earned income
  - A spouse is treated as having earned income for any month the spouse is physically/mentally incapable of care, or is a full-time student.

# Child & Dependent Care Expenses

## Credit: Eligibility

- Expenses must have been for work or to look for work
- Payments can't have been made to taxpayer's spouse, dependent child or child under 19
- Must have care provider's name, address, and SSN/EIN (due diligence)

# Child & Dependent Care Expenses

## Credit: Qualified Work-Related Expenses

- Expenses must be paid for the care of the qualifying person to allow the taxpayer (and spouse) to work or look for work
- Care includes the costs of services for the qualifying person's well-being and protection

# Child & Dependent Care Expenses

## Credit: Qualified Work-Related Expenses

- Expenses to attend Kindergarten or a higher grade: NOT AN EXPENSE
- Expenses for summer day-camp qualify, but those for over-night camp are not!
- \$3,000 limit for one qualifying person or \$6,000 for two or more qualifying persons.

# Child & Dependent Care Expenses Credit: Notes

- If you had expenses that met the requirements for the previous tax year, except that you did not pay them until the current tax year, you may be able to claim them on your tax return.
- Taxpayer's who cannot provide all of the provider's information or who have incorrect information may still be able to take the credit if they can show they used due diligence in trying to obtain the info.

# Child & Dependent Care Expenses

## Credit: Divorced/Separated Parents

- Custodial parent can claim the Child & Dependent Care Expenses Credit, even if they did not claim the dependency exemption

This situation is complicated to determine. SEE YOUR SITE COORDINATOR

# Child Tax Credit

- One credit for each qualifying child **under age 17**
  - (Over 17 → \$500 nonrefundable “Credit for other dependents”)
- A taxpayer can claim a Child Tax Credit for a child only if they **CAN AND DO** claim a dependency exemption for the child
- Nonrefundable credit with a maximum of \$2,000 per child (refundable portion limited to \$1,400)
  - Amount actually claimed depends on taxpayer’s tax liability, MAGI and filing status
  - MAGI: typically same as AGI

# Child Tax Credit

- This is a credit intended to reduce the tax liability owed by the taxpayer, therefore, this part of the credit is **nonrefundable**
- However, the taxpayer may be able to take the *Additional Child Tax Credit*, which is **refundable**
- *The tax software automatically calculates this, but you should be familiar with the rules in case the taxpayer has questions!*

# Retirement Savings Contributions Credit: General Eligibility Requirements

- A contribution to an IRA or other qualified plan for the tax year
- AGI limitations (vary based on filing status)
- Age 18 or older
- Not claimed as a dependent on someone else's tax return
- Not a full-time student during the tax year

# Retirement Savings Contribution Credit: Form W-2

22222		a Employee's social security number		OMB No. 1545-0008	
b Employer identification number (EIN)			1 Wages, tips, other compensation	2 Federal income tax withheld	
c Employer's name, address, and ZIP code			3 Social security wages	4 Social security tax withheld	
			5 Medicare wages and tips	6 Medicare tax withheld	
			7 Social security tips	8 Allocated tips	
d Control number			9	10 Dependent care benefits	
e Employee's first name and initial		Last name		Suff.	11 Nonqualified plans
f Employee's address and ZIP code			13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>		12a
			14 Other		12b
15 State			16 State wages, tips, etc.	17 State income tax	12c
Employer's state ID number			18 Local wages, tips, etc.	19 Local income tax	12d
20 Locality name					

Form **W-2** Wage and Tax Statement  
Copy 1—For State, City, or Local Tax Department

20

Department of the Treasury—Internal Revenue Service

# Retirement Savings Contribution Credit: Contributions Record

➤ How do I know if the taxpayer has made a qualifying contribution?

- Form W-2, Box 12 and one of the codes: D, E, F, G, H, S, AA or BB
- Form W-2, Box 14 and codes for military personnel: Q or E

**CAUTION: Entries in box 14 that are treated as employer contributions are NOT eligible for the credit**

# Retirement Savings Contributions

## Credit: Eligible Contributions

- Some retirement distributions reduce the eligible contributions for the credit
- In addition to retirement distributions made during the current tax year, the taxpayer must also reduce eligible contributions for distributions taken during the previous two tax years

# Refundable Tax Credit

- Reduces tax liability to zero
- Taxpayer will receive the remainder of the credit value as a refund.
  - Earned Income Tax Credit
  - Additional Child Tax Credit
  - American Opportunity Education Credit

# Refundable Tax Credit

➤ Let's look at the I/I form:

Yes	No	Unsure	Part IV – Expenses – Last Year, Did You (or Your Spouse) Pay
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. (B) Alimony or separate maintenance payments? If yes, do you have the recipient's SSN? <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2. Contributions to a retirement account? <input type="checkbox"/> IRA (A) <input type="checkbox"/> 401K (B) <input type="checkbox"/> Roth IRA (B) <input type="checkbox"/> Other
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3. (B) College or post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4. (A) Deductions: <input type="checkbox"/> Medical & Dental (including insurance premiums) <input type="checkbox"/> Mortgage Interest (Form 1098) <input type="checkbox"/> Taxes (State, Real Estate, Personal Property, Sales) <input type="checkbox"/> Charitable Contributions
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5. (B) Child or dependent care expenses such as daycare?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6. (B) For supplies used as an eligible educator such as a teacher, teacher's aide, counselor, etc.?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. (A) Expenses related to self-employment income or any other income you received?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. (B) Student loan interest? (Form 1098-E)

We'll talk more about these credits later, but if the taxpayer has education expenses, it should be marked correctly on the I/I form. The Additional Child Tax Credit and Earned Income Credit are calculated automatically in the software.

# Refundable Tax Credit

- Let's look at the scope of service chart!
- If a credit is **out of scope** for you, just set it aside for your site coordinator and make a note on the I/I supplement form.

Category on I/I form	Line on I/I form	Description	Information Reporting Document	SaveFirst Basic	SaveFirst Advanced	SaveFirst Site Coordinator
		Federal income tax withheld from	W-2 and 1099	✓	✓	✓
Life Events	Line 8.	2018 estimated tax payments and amount applied from 2017		✓	✓	✓
		Earned Income Credit (EIC)		✓	✓	✓
		Additional Child Tax Credit		✓	✓	✓
Expenses		American Opportunity Credit	1098-T	X	✓	✓
Health Care Coverage	Line 3.	Net Premium Tax Credit	1095-A	X	✓	✓
		Amount paid with request for extension		✓	✓	✓
		Excess social security and tier 1 RRTA	SSA-1099, RRB 1099	✓	✓	✓

# Additional Child Tax Credit

- The *Child Tax Credit* is intended to reduce the tax liability owed by the taxpayer, therefore, this part of the credit is **nonrefundable**
- However, the taxpayers may be able to take the *Additional Child Tax Credit*, which is **refundable**

***TaxSlayer automatically applies this credit to the tax return based on income and dependents***

# Additional Child Tax Credit

- Refundable credit with a maximum of \$1400 per child
- Amount claimed depends upon meeting general eligibility requirements as well as how much of the nonrefundable Child Tax Credit is claimed
  - Cannot claim more than \$2000 of CTC and additional CTC combined for one child

# Additional Child Tax Credit: General Eligibility

- Meet all the requirements of the Child Tax Credit
  - Under 17, U.S. citizen, dependent of taxpayer, qualifying relationship, child did not provide over  $\frac{1}{2}$  of own support, lived with taxpayer for more than  $\frac{1}{2}$  of year
- Must have \$2,500 of taxable earned income
  - **Exception:** Taxpayers with three or more children may be eligible regardless of their income

# Earned Income Credit

- Refundable tax credit for low-to-moderate income workers to encourage work, offset payroll and income taxes, and help meet basic need

***TaxSlayer automatically applies this credit to the tax return based on income and dependents***

# Earned Income Credit

- The rules for everyone are as follows:
  - Must have earned income (and AGI has limits)
  - Valid SSNs and U.S. citizens/resident aliens
  - Not MFS
  - No foreign earned income
  - Investment income less than \$3,600
  - Taxpayer cannot be qualifying child of another person

# Earned Income Credit: Eligibility Requirements

- Rules if taxpayer does NOT have a qualifying child:
  - Cannot be claimed as a dependent by another person
  - Must be at least 25 but under 65 on December 31<sup>st</sup> of the tax year
  - Must have lived in the United States (and spouse, if MFJ) for more than ½ of the year
  - **Cannot be MFS**

# Earned Income Credit: Eligibility Requirements

- Rules if taxpayer has a qualifying child:
  - **[Age Test]** Child must be
    - Under age 19 at the end of the tax year, **OR**
    - Under age 24 and a full-time student at the end of the tax year, **OR**
    - Any age and permanently and totally disabled

Still cannot be MFS

# Earned Income Credit: Eligibility Requirements

- Rules if taxpayer has a qualifying child:
  - **[Joint Return Test]** Qualifying child must not have filed a joint return for the tax year
    - Unless the child only filed a joint return with spouse to claim a refund
  - **[Residency Test]** Must have lived with the taxpayer for more than  $\frac{1}{2}$  the year
  - Must not be the qualifying child of another person

# Earned Income Credit: Eligibility Requirements

Note: Just because a person qualifies as the dependent of the taxpayer does not mean they automatically make the taxpayer eligible for the EIC

*Child in question must meet the age, relationship, residency, and joint return tests to qualify (therefore, Qualifying Children always meet requirements, HOWEVER, Qualifying Relatives DO NOT)*

# Earned Income Credit: Qualifying Child of More than One Person

- Sometimes, a child meets all of the tests to be claimed by more than one taxpayer
- A child cannot be used by more than one person to claim the EIC
- The rules for determining who claims the child for EIC are the same as those for determining who claims the the child as a dependent

If this situation arises, please see your Site Coordinator

# Earned Income Credit: Disallowance

- EIC can be disallowed for
  - Reckless or intentional disregard of the rules: 2 years
  - Fraudulent Claim: 10 Years
- To claim EIC again, a taxpayer must
  - Wait full period of disallowance
  - Submit a Form 8862 with the tax return

**If this situation arises, please see your Site Coordinator**

# Exercise(video)

Sharon, who has an earned income and AGI of \$15,525, takes care of her sister's son, Eric. If Eric is 12 years old and began living with Sharon in August, can Sharon claim the EIC?

# Exercise – Answer

**No**

**Sharon's AGI is too high to claim the EIC alone, and since Eric lived with her for less than half a year, he is not her qualifying child**



# SAVE FIRST

**Refund & Amount of Tax  
Owed**

# Refund & Amount of Tax Owed

## Objectives

**After completing this section, the volunteer will be able to:**

- Explain the taxpayer's options when receiving a tax refund
- Explain the options available to a taxpayer that has tax due

# Refunds

- Taxpayers can choose to receive their refund either by check or direct deposit
- Checks take 6-8 weeks to be mailed
- Electronic deposits will be made in 1-2 weeks
- Taxpayers can also choose to allocate part of their refund to order savings bonds

# Refunds: Direct Deposit

- Encourage taxpayers to use direct deposit
  - But, refunds will be delayed 4-6 weeks if the routing and account numbers are not valid
- Refunds may only be deposited into their own accounts
- Refunds can be deposited in up to three accounts

# Refunds: Direct Deposit

- Routing number (9 digits): can look up online
- Account number: do not include check number!
- Do NOT include spaces or hyphens!

Jane Doe  
1234 Main St, Apt 101  
Lenexa, KS 66215

1001

DATE \_\_\_\_\_

PAY TO THE ORDER OF \_\_\_\_\_ \$ \_\_\_\_\_

YOUR BANK  
Address of Your Bank  
Lenexa, KS 66215

FOR \_\_\_\_\_

1001 DOLLARS

⑆ 23456789⑆      ⑆ 234567⑆      1001

⑆ 23456789⑆      ⑆ 234567⑆      1001

Bank Routing Number      Bank Account Number      ~~Check #~~

# Refunds: Savings Bonds

## ➤ Our Role

- **Explain opportunity** - describe savings bonds & chance to order at tax site
- **Seek decision** – ask client to decide if, how much & for whom to order bonds
- **Process order** – complete IRS Form 8888

The Government will mail a physical bond to the taxpayer at the address listed on the return.

# Refunds: Savings Bonds

- All taxpayers can buy bonds for
  - Themselves
  - And/or 2 other people (kids, grandkids, spouses, nieces/nephews, godchildren, etc.)
- How it works
  - Taxpayer needs only name of gift recipient
  - Client & gift recipient will be listed on bond as co-owners
  - Either party may redeem bond

# Tax Due

- Payment in full is due by the April filing due date, to avoid interest and penalties
- Taxpayer should file his/her return by the April filing date to avoid a failure-to-file penalty
- There are separate penalties for filing late and paying late – the late filing penalty is higher

# Tax Due

- Payment options available at SaveFirst site:
  - Pay by check or money order with Form 1040-V (Payment Voucher)
  - Pay by direct debit from their checking/savings account on a date that they choose (up to the due date)

# Tax Due

## ➤ Payment options(on their own):

- Pay with a credit or debit card (convenience fee)
- Electronic Federal Tax Payment System (EFTPS)
  - Taxpayers can use EFTPS to file taxes, but they must **enroll** first ([www.irs.gov/e-pay](http://www.irs.gov/e-pay))
- IRS Direct Pay
  - Free, one-time payment system offered through IRS.gov

# Tax Due: What if the Taxpayer Cannot Pay?

- Apply online for a payment agreement(on their own)
  - Taxpayer can apply online for a payment agreement by going to IRS.gov and searching for “Online Payment Agreement” or “OPA”

# Tax Due: Undue Hardship

- Taxpayers who can show they will have a substantial financial difficulty if they pay their tax on the due date are considered to have *undue* hardship.
- Can request an extension by filing Form 1127 (**out of scope**) by the due date
  - Advise them to visit or call the local IRS office
- Undue hardship is **MORE** than inconvenience!

# Tax Due

- To avoid having tax due next year:
  - Adjust withholding on Form W-4 (from employer)
    - Taxpayers should submit a revised form when there is a change in life events (marriage, child, etc.)
  - Make quarterly estimated tax payments



# SAVE FIRST

**Health Care Coverage  
(Part V of I/I form)**

# What is the Affordable Care Act (ACA)?

- The federal government, state governments, insurers, employers, and individuals share responsibility for improving the quality and availability of health insurance coverage in the United States
- The ACA reforms the existing health insurance market by prohibiting insurers from denying coverage or charging higher premiums because of an individual's pre-existing conditions.
- The ACA also created the Health Insurance Marketplace (also known as [www.healthcare.gov](http://www.healthcare.gov))

# Shared Responsibility Provision

- The Affordable Care Act requires individuals to:
  - Have qualifying health coverage, called **minimum essential coverage**, for each month of the year
  - Qualify for a **coverage exemption**, OR
  - Make a **shared responsibility payment** when filing their federal income tax returns
    - *This is essentially a tax penalty for not having coverage*
    - *Shared responsibility payment expires starting in tax year 2019.*

# Health Care Coverage on I/I form

- |                          |                          |                          |   |
|--------------------------|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 8. (A) File a federal return last year containing a capital loss carryover on Form 1040 Schedule D? |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 9. (A) Have health coverage through the Marketplace (Exchange)? [Provide Form 1095-A]               |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 10. (B) Receive an Economic Impact Payment (stimulus) in 2020?                                      |

**Basic Volunteers - only allowed to complete the health insurance section in TaxSlayer if NOT from the Marketplace.**

**Advanced Volunteers - able to enter Marketplace insurance (1095-A) → you will learn to do this in January!**

# Premium Tax Credit

- Some taxpayers may be eligible for the *Premium Tax Credit*, a refundable tax credit to help pay for health insurance premiums.
- **Any time a taxpayer purchases insurance through the marketplace, they get a 1095-A. An advanced volunteer/Site Coordinator will need to complete the health insurance section.**

# What if a taxpayer doesn't have insurance?

- Many of our taxpayers will qualify for an exemption and won't have to pay the penalty.
- **Any time a taxpayer doesn't have insurance for any month of the tax year, a site coordinator will need to fill out the Health Insurance Section (TY 2018 and prior)**



**SAVE FIRST**

**Federal Income Tax Process  
Overview**

# **Federal Income Tax Process Overview**

# TOTAL INCOME

Earned  
Income



# TOTAL INCOME

Unearned  
Income



Earned  
Income



# TOTAL INCOME

# TAXABLE INCOME

after adjustments,  
and deductions

Unearned  
Income



Earned  
Income



TOTAL INCOME

TAXABLE INCOME  
after adjustments  
and deductions

TAX  
LIABILITY

Unearned  
Income



Earned  
Income



TOTAL INCOME

TAXABLE INCOME

TAX LIABILITY

Unearned Income



Earned Income



after adjustments and deductions



TAX CREDITS (based on exemptions and eligibility)

AMOUNT OWED OR REFUNDED



Form **1040** Department of the Treasury—Internal Revenue Service (99) **2019** U.S. Individual Income Tax Return OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

**Filing Status**  Single  Married filing jointly  Married filing separately (MFS)  Head of household (HOH)  Qualifying widow(er) (QW)  
 Check only one box. If you checked the MFS box, enter the name of spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent. ▶

Your first name and middle initial Last name Your social security number  
 If joint return, spouse's first name and middle initial Last name Spouse's social security number

Home address (number and street). If you have a P.O. box, see instructions. Apt. no. Presidential Election Campaign  
 Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.  You  Spouse

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).  
 Foreign country name Foreign province/state/county Foreign postal code If more than four dependents, see instructions and ✓ here ▶

**Standard Deduction** Someone can claim:  You as a dependent  Your spouse as a dependent  
 Spouse itemizes on a separate return or you were a dual-status alien

**Age/Blindness** You:  Were born before January 2, 1955  Are blind Spouse:  Was born before January 2, 1955  Is blind

**Dependents** (see instructions):

(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) ✓ If qualifies for (see instructions): Child tax credit	Credit for other dependents
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>

**1** Wages, salaries, tips, etc. Attach Form(s) W-2 . . . . . **1**  
**2a** Tax-exempt interest . . . . . **2a** **b** Taxable interest. Attach Sch. B if required **2b**  
**3a** Qualified dividends . . . . . **3a** **b** Ordinary dividends. Attach Sch. B if required **3b**  
**4a** IRA distributions . . . . . **4a** **b** Taxable amount **4b**  
**c** Pensions and annuities . . . . . **4c** **d** Taxable amount **4d**  
**5a** Social security benefits . . . . . **5a** **b** Taxable amount **5b**  
**6** Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶  **6**  
**7a** Other income from Schedule 1, line 9 . . . . . **7a**  
**b** Add lines 1, 2b, 3b, 4b, 4d, 5b, 6, and 7a. This is your **total income** ▶ **7b**  
**8a** Adjustments to income from Schedule 1, line 22 . . . . . **8a**  
**b** Subtract line 8a from line 7b. This is your **adjusted gross income** ▶ **8b**  
**9** **Standard deduction or itemized deductions** (from Schedule A) . . . . . **9**  
**10** Qualified business income deduction. Attach Form 8995 or Form 8995-A . . . . . **10**  
**11a** Add lines 9 and 10 . . . . . **11a**  
**b** **Taxable income.** Subtract line 11a from line 8b. If zero or less, enter -0- . . . . . **11b**

**Standard Deduction for—**  
 • Single or Married filing separately, \$12,200  
 • Married filing jointly or Qualifying widow(er), \$24,400  
 • Head of household, \$18,350  
 • If you checked any box under Standard Deduction, see instructions.

**For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.** Cat. No. 11320B Form **1040** (2019)

Form 1040 (2019) Page **2**

**12a** Tax (see inst.) Check if any from Form(s): 1  8814 2  4972 3  **12a** **12b**  
**b** Add Schedule 2, line 3, and line 12a and enter the total ▶

**13a** Child tax credit or credit for other dependents . . . . . **13a** **13b**  
**b** Add Schedule 3, line 7, and line 13a and enter the total ▶

**14** Subtract line 13b from line 12b. If zero or less, enter -0- . . . . . **14**  
**15** Other taxes, including self-employment tax, from Schedule 2, line 10 . . . . . **15**  
**16** Add lines 14 and 15. This is your **total tax** . . . . . ▶ **16**  
**17** Federal income tax withheld from Forms W-2 and 1099 . . . . . **17**  
**18** Other payments and refundable credits:  
**a** Earned income credit (EIC) . . . . . **18a**  
**b** Additional child tax credit. Attach Schedule 8812 . . . . . **18b**  
**c** American opportunity credit from Form 8863, line 8 . . . . . **18c**  
**d** Schedule 3, line 14 . . . . . **18d**  
**e** Add lines 18a through 18d. These are your **total other payments and refundable credits** ▶ **18e**  
**19** Add lines 17 and 18e. These are your **total payments** . . . . . ▶ **19**

**20** If line 19 is more than line 16, subtract line 16 from line 19. This is the amount you **overpaid** . . . . . **20**  
**21a** Amount of line 20 you want **refunded to you**. If Form 8888 is attached, check here . . . . . ▶  **21a**  
▶ **b** Routing number  ▶ **c** Type:  Checking  Savings  
▶ **d** Account number

**22** Amount of line 20 you want **applied to your 2020 estimated tax** . . . . . ▶ **22**

**Amount You Owe**  
**23** **Amount you owe.** Subtract line 19 from line 16. For details on how to pay, see instructions . . . . . ▶ **23**  
**24** Estimated tax penalty (see instructions) . . . . . ▶ **24**

**Third Party Designee**  
 Do you want to allow another person (other than your paid preparer) to discuss this return with the IRS? See instructions.  Yes. Complete below.  No  
 (Other than paid preparer) Designee's name ▶ Phone no. ▶ Personal identification number (PIN) ▶

**Sign Here**  
 Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.  
 Your signature Date Your occupation If the IRS sent you an Identity Protection PIN, enter it here (see inst.)   
 Spouse's signature. If a joint return, **both** must sign. Date Spouse's occupation If the IRS sent your spouse an Identity Protection PIN, enter it here (see inst.)

Joint return? See instructions. Keep a copy for your records. ▶

Phone no. Email address

**Paid Preparer Use Only**  
 Preparer's name Preparer's signature Date PTIN Check if:  
 3rd Party Designee  
 Firm's name ▶ Phone no.  Self-employed  
 Firm's address ▶ Firm's EIN ▶

Go to [www.irs.gov/Form1040](http://www.irs.gov/Form1040) for instructions and the latest information. Form **1040** (2019)

# Form 1040-Draft for 2020

Form **1040** Department of the Treasury—Internal Revenue Service (99) **2020** OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

**Filing Status**  Single  Married filing jointly  Married filing separately (MFS)  Head of household (HOH)  Qualifying widow(er) (QW)  
 Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent ▶

Your first name and middle initial Last name Your social security number  
 If joint return, spouse's first name and middle initial Last name Spouse's social security number

Home address (number and street). If you have a P.O. box, see instructions. Apt. no. Presidential Election Campaign  
 Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.  
 You  Spouse

City, town, or post office. If you have a foreign address, also complete spaces below. State ZIP code  
 Foreign country name Foreign province/state/county Foreign postal code

At any time during 2020, did you receive, sell, send, exchange, or otherwise acquire any financial interest in any virtual currency?  Yes  No

**Standard Deduction** **Someone can claim:**  You as a dependent  Your spouse as a dependent  
 Spouse itemizes on a separate return or you were a dual-status alien

**Age/Blindness** You:  Were born before January 2, 1956  Are blind Spouse:  Was born before January 2, 1956  Is blind

**Dependents** (see instructions):  
 If more than four dependents, see instructions and check here ▶

(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) Child tax credit	Credit for other dependents

1	Wages, salaries, tips, etc. Attach Form(s) W-2	1
2a	Tax-exempt interest	2a
3a	Qualified dividends	3a
4a	IRA distributions	4a
5a	Pensions and annuities	5a
6a	Social security benefits	6a
7	Capital gain or (loss). Attach Schedule D if required. If not required, check here	7
8	Other income from Schedule 1, line 9	8
9	Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your <b>total income</b>	9
10	Adjustments to income:	
a	From Schedule 1, line 22	10a
b	Charitable contributions if you take the standard deduction. See instructions	10b
c	Add lines 10a and 10b. These are your <b>total adjustments to income</b>	10c
11	Subtract line 10c from line 9. This is your <b>adjusted gross income</b>	11
12	<b>Standard deduction or itemized deductions</b> (from Schedule A)	12
13	Qualified business income deduction. Attach Form 8995 or Form 8995-A	13
14	Add lines 12 and 13	14
15	<b>Taxable income.</b> Subtract line 14 from line 11. If zero or less, enter -0-	15

Attach Sch. B if required.  
**Standard Deduction for—**  
 • Single or Married filing separately, \$12,400  
 • Married filing jointly or Qualifying widow(er), \$24,800  
 • Head of household, \$18,650  
 • If you checked any box under Standard Deduction, see instructions.

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11320B Form **1040** (2020)

Form 1040 (2020) Page 2

16	Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/>	16
17	Amount from Schedule 2, line 3	17
18	Add lines 16 and 17	18
19	Child tax credit or credit for other dependents	19
20	Amount from Schedule 3, line 7	20
21	Add lines 19 and 20	21
22	Subtract line 21 from line 18. If zero or less, enter -0-	22
23	Other taxes, including self-employment tax, from Schedule 2, line 10	23
24	Add lines 22 and 23. This is your <b>total tax</b>	24
25	Federal income tax withheld from:	
a	Form(s) W-2	25a
b	Form(s) 1099	25b
c	Other forms (see instructions)	25c
d	Add lines 25a through 25c	25d
26	2020 estimated tax payments and amount applied from 2019 return	26
27	Earned income credit (EIC)	27
28	Additional child tax credit. Attach Schedule 8812	28
29	American opportunity credit from Form 8863, line 8	29
30	Recovery rebate credit. See instructions	30
31	Amount from Schedule 3, line 13	31
32	Add lines 27 through 31. These are your <b>total other payments and refundable credits</b>	32
33	Add lines 25d, 26, and 32. These are your <b>total payments</b>	33
34	If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you <b>overpaid</b>	34
35a	Amount of line 34 you want <b>refunded to you</b> . If Form 8888 is attached, check here <input type="checkbox"/>	35a
▶ b	Routing number	
▶ c	Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings	
▶ d	Account number	
36	Amount of line 34 you want <b>applied to your 2021 estimated tax</b>	36
37	Subtract line 33 from line 24. This is the <b>amount you owe now</b>	37
38	Estimated tax penalty (see instructions)	38

**Refund**  
 Direct deposit?  See instructions.

**Amount You Owe**  
 For details on how to pay, see instructions.

**Third Party Designee**  
 Do you want to allow another person to discuss this return with the IRS? See instructions  Yes. Complete below.  No

Designee's name Phone no. Personal identification number (PIN)

**Sign Here**  
 Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature Date Your occupation If the IRS sent you an Identity Protection PIN, enter it here (see inst.) ▶

Spouse's signature. If a joint return, both must sign. Date Spouse's occupation If the IRS sent your spouse an Identity Protection PIN, enter it here (see inst.) ▶

Phone no. Email address

**Paid Preparer Use Only**  
 Preparer's name Preparer's signature Date PTIN Check if:  Self-employed  
 Firm's name ▶ Phone no.  
 Firm's address ▶ Firm's EIN ▶

Go to [www.irs.gov/Form1040](http://www.irs.gov/Form1040) for instructions and the latest information. Form **1040** (2020)

# Form 1040-Schedules

## Draft for 2020

SCHEDULE 1 (Form 1040)		Additional Income and Adjustments to Income		OMB No. 1545-0074
Department of the Treasury Internal Revenue Service		Attach to Form 1040, 1040-SR, or 1040-NR. Go to <a href="http://www.irs.gov/Form1040">www.irs.gov/Form1040</a> for instructions and the latest information.		2020 Attachment Sequence No. 01
Name(s) shown on Form 1040, 1040-SR, or 1040-NR			Your social security number	
<b>Part I Additional Income</b>				
1	Taxable refunds, credits, or offsets of state and local income taxes	1		
2a	Alimony received	2a		
b	Date of original divorce or separation agreement (see instructions)			
3	Business income or (loss). Attach Schedule C	3		
4	Other gains or (losses). Attach Form 4797	4		
5	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	5		
6	Farm income or (loss). Attach Schedule F	6		
7	Unemployment compensation	7		
8	Other income. List type and amount	8		
9	Combine lines 1 through 8. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 8	9		
<b>Part II Adjustments to Income</b>				
10	Educator expenses	10		
11	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106	11		
12	Health savings account deduction. Attach Form 8889	12		
13	Moving expenses for members of the Armed Forces. Attach Form 3903	13		
14	Deductible part of self-employment tax. Attach Schedule SE	14		
15	Self-employed SEP, SIMPLE, and qualified plans	15		
16	Self-employed health insurance deduction	16		
17	Penalty on early withdrawal of savings	17		
18a	Alimony paid	18a		
b	Recipient's SSN			
c	Date of original divorce or separation agreement (see instructions)			
19	IRA deduction	19		
20	Student loan interest deduction	20		
21	Tuition and fees deduction. Attach Form 8917	21		
22	Add lines 10 through 21. These are your adjustments to income. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 10a	22		
For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 71479F Schedule 1 (Form 1040) 2020				

SCHEDULE 2 (Form 1040)		Additional Taxes		OMB No. 1545-0074
Department of the Treasury Internal Revenue Service		Attach to Form 1040, 1040-SR, or 1040-NR. Go to <a href="http://www.irs.gov/Form1040">www.irs.gov/Form1040</a> for instructions and the latest information.		2020 Attachment Sequence No. 02
Name(s) shown on Form 1040, 1040-SR, or 1040-NR			Your social security number	
<b>Part I Tax</b>				
1	Alternative minimum tax. Attach Form 6251	1		
2	Excess advance premium tax credit repayment. Attach Form 8962	2		
3	Add lines 1 and 2. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 17	3		
<b>Part II Other Taxes</b>				
4	Self-employment tax. Attach Schedule SE	4		
5	Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919	5		
6	Additional tax on IRAs, other qualified retirement accounts. Attach Form 5329 if required	6		
7a	Household employment taxes. Attach Schedule	7a		
b	Repayment of first-time homebuyer credit from required	7b		
8	Taxes from: a <input type="checkbox"/> Form 8959 b <input type="checkbox"/> Form 896	8		
c	Instructions; enter code(s)			
9	Section 965 net tax liability installment from Form	9		
10	Add lines 4 through 8. These are your total of 1040 or 1040-SR, line 23, or Form 1040-NR, line	10		
For Paperwork Reduction Act Notice, see your tax return instructions.				

SCHEDULE 3 (Form 1040)		Additional Credits and Payments		OMB No. 1545-0074
Department of the Treasury Internal Revenue Service		Attach to Form 1040, 1040-SR, or 1040-NR. Go to <a href="http://www.irs.gov/Form1040">www.irs.gov/Form1040</a> for instructions and the latest information.		2020 Attachment Sequence No. 03
Name(s) shown on Form 1040, 1040-SR, or 1040-NR			Your social security number	
<b>Part I Nonrefundable Credits</b>				
1	Foreign tax credit. Attach Form 1116 if required	1		
2	Credit for child and dependent care expenses. Attach Form 2441	2		
3	Education credits from Form 8863, line 19	3		
4	Retirement savings contributions credit. Attach Form 8880	4		
5	Residential energy credits. Attach Form 5695	5		
6	Other credits from Form: a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/>	6		
7	Add lines 1 through 6. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 20	7		
<b>Part II Other Payments and Refundable Credits</b>				
8	Net premium tax credit. Attach Form 8962	8		
9	Amount paid with request for extension to file (see instructions)	9		
10	Excess social security and tier 1 RRTA tax withheld	10		
11	Credit for federal tax on fuels. Attach Form 4136	11		
12	Other payments or refundable credits:			
a	Form 2439	12a		
b	Qualified sick and family leave credits from Schedule(s) H and Form(s) 7202	12b		
c	Health coverage tax credit from Form 8885	12c		
d	Other:	12d		
e	Deferral for certain Schedule H or SE filers (see instructions)	12e		
f	Add lines 12a through 12e	12f		
13	Add lines 8 through 12f. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 31	13		
For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 71480G Schedule 3 (Form 1040) 2020				



**SAVE FIRST**

**Tax Preparation Process**

# Tax Preparation Process

- Part 1: Preliminary Interview
- **Part 2: Preparing the Return in TaxSlayer**
- Part 3: Quality Review
- Part 4: Finishing the Return
- Part 5: Filing the Return

# Tax Preparation Process

- When you arrive at the site on your first day, you'll need to show your photo ID to the Site Coordinator
- They will then check your volunteer certification in VMS to make sure you've completed all the steps
- You will get a nametag specific to your certification level
  - Basic Volunteers-Green Badge
  - Advanced Volunteers-Pink Badge

# Tax Preparation Process

- Taxpayer Sign-In Sheet
  - We prioritize appointments over walk-ins!
  - Your site coordinator will have the schedule printed next to the sign-in sheet
  - When you start a return with a taxpayer, make sure to highlight them off the sign-in sheet *AND* the appointment schedule!

 <b>Taxpayer Sign-In Sheet</b>		Site: Montgomery - Library Date: _____	
Name	Arrival Time	Do you have an appointment?	For Administrative Use Only
			Notes
LIZ LEMON	1:00 PM	YES	
DARTH VADER	1:15PM	NO	

# Part 2: Preparing the Return in TaxSlayer

- Complete the Filing Status, Personal Information, and Dependents.

The screenshot shows the 'Basic Information' section of the TaxSlayer interface. On the left, a sidebar menu lists 'Basic Information', 'Filing Status', 'Personal Information', 'Dependents/Qualifying Person', 'Federal Section', 'Health Insurance', and 'State Section'. The 'Basic Information' section is active. The main content area displays three rows of information, each with an 'EDIT' button: 'Filing Status', 'Personal Information', and 'Dependents / Qualifying Person'. At the bottom of the main content area, there are 'BACK' and 'CONTINUE' buttons.

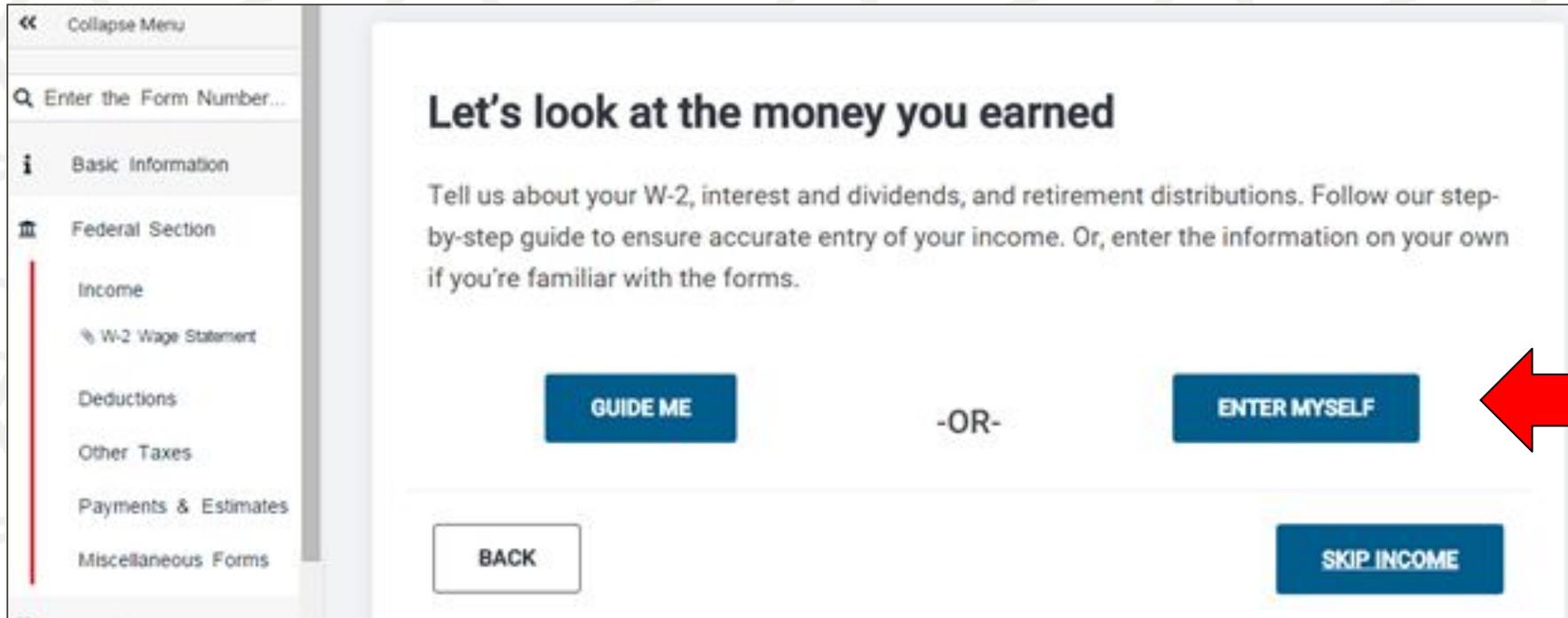
**\*\*Reminder: Always type in ALL CAPS\*\***

# Part 2: Preparing the Return in TaxSlayer-TaxSlayer Logins

- You will have a different username for every site location
  - DOEJSMITHFIELD
  - DOEJWESTEND
  - DOEJPENSACOLA
- It is very important you use the correct username for the site you are preparing returns!
- If you are logged in to the wrong software, the return could get lost!

# Part 2: Preparing the Return in TaxSlayer

➤ Click “Enter Myself” on the Income page



# Part 2: Preparing the Return in TaxSlayer

- Complete the income section, deductions section, the health insurance section, the State section (if applicable).
- Complete three forms: Gen Use, Gen Disclosure and Prep Use
- Select the type of return and enter the bank account information.
- Review the entire return and take care of any diagnostic errors

# Part 2: Preparing the Return in TaxSlayer – Taxpayer and Spouse PIN

- Ask the taxpayer for their email so we can send them a reminder next year!
- In the PIN section, have each taxpayer enter a 5-number pin.
- This authorizes us to e-file for the taxpayer!

Tax Preparation and E-File Information

Fees	
Calculated Prep Fee	\$ 0.00
Preparer Fee	<input type="text" value="\$ 0.00"/>
Electronic Filing Fee	<input type="text" value="\$ 0.00"/>
<b>Total</b>	<b>\$ 0.00</b>

Primary Client Email

Taxpayer's PIN

ERO's PIN

# Part 2: Preparing the Return in TaxSlayer – General Use Form

## Consent to Use

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### Defined Terms

1 - "Use": Name, address, amount of income, tax refunds and credits "Purpose": To calculate total numbers for grant reporting and to provide relevant information to taxpayers in future years

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### Consent Status

I / we, the Taxpayer have read the above information. By typing in my / our taxpayer PIN(s) and checking this input, I / we hereby **GRANT** consent to "Consent to Use" as stated above.

I / we, the Taxpayer have read the above information. By typing in my / our taxpayer PIN(s) and checking this input, I / we hereby **DENY** consent to "Consent to Use" as stated above.

**Primary PIN (enter 5 numbers)**

**Primary PIN Date**

**Secondary PIN (enter 5 numbers)**

**Secondary PIN Date**

[Next](#)

# Part 2: Preparing the Return in TaxSlayer – General Disclosure Form

Consent to Disclose

### Defined Terms

1 - "Disclosure": Name, address, amount of income, tax refunds and credits "Purpose": To calculate total numbers for grant reporting and to provide relevant information to taxpayers in future years

### Consent Status

I / we, the Taxpayer have read the above information. By typing in my / our taxpayer PIN(s) and checking this input, I / we hereby **GRANT** consent to "Consent to Disclose" as stated above.

I / we, the Taxpayer have read the above information. By typing in my / our taxpayer PIN(s) and checking this input, I / we hereby **DENY** consent to "Consent to Disclose" as stated above.

Primary PIN (enter 5 numbers)

Primary PIN Date

Secondary PIN (enter 5 numbers)

Secondary PIN Date

[Next](#)

# Part 2: Preparing the Return in TaxSlayer – Prep Use Form

Questions

1. Other than English what language is spoken in your home?

2. Are you or your spouse a Veteran from the US Armed Force?

3. Do you or any member of your household have a disability?

4. Was this return prepared using a Virtual or Drop-Off method?

Return Preparer

TA1 - Quality Reviewer

TA2 - Which best describes your race/ethnicity (Taxpayer #1)

TA3 - Are you of Hispanic, Spanish, or Latin origin (Taxpayer #1)?

TA4 - Which best describes your race/ethnicity (Taxpayer #2)?

TA5 - Are you of Hispanic, Spanish, or Latin origin (Taxpayer #2)?

[Next](#)

# Part 2: Preparing the Return in TaxSlayer – State ID (NOT Optional)

State ID (Optional)

You may provide your state issued id or drivers license in the section below. This information is optional but may assist the state in verifying your identity and processing your return.

Taxpayer ID Information

Type  
Please Select \*

Number  
[Text Input]

Issue Date  
mm/dd/yyyy

Expiration Date  
mm/dd/yyyy

No Expiration date

Issue State  
Please Select \*

NY Document ID  
[Text Input]

If the issue state is NY, this field is required. Please enter only the first three characters of the NY Document number on the Driver's License/State ID



## Part 2: Preparing the Return in TaxSlayer – State ID (NOT Optional in some states)

- Providing the state ID/driver's license in the e-file section is NOT optional for certain state returns
- In AL, it is *required* for e-file submission of state return
- In SC, it is not required for e-file submission of state return. BUT if the taxpayer has a state ID, the information should be entered

## Part 2: Preparing the Return in TaxSlayer – State ID (NOT Optional in some states)

- If taxpayer has driver's license and TaxSlayer requests the info in the e-file section, you should enter the information.
- If the taxpayer does not have a driver's license and TaxSlayer requests the info, *you should see your Site Coordinator.*

# Tax Preparation Process

- Part 1: Preliminary Interview
- Part 2: Preparing the Return in TaxSlayer
- **Part 3: Quality Review**
- Part 4: Finishing the Return
- Part 5: Filing the Return

# Part 3: Quality Review

## Quality Review Checklist

- Taxpayer (and Spouse's) identity was verified with a photo ID.
- The volunteer return preparer/quality reviewer are certified to prepare/review this return and return is within scope of the program.
- All questions in Parts I through VI have been answered.
- All unsure boxes were discussed with the taxpayer and correctly marked yes or no.
- The information on pages one through three was correctly addressed and entered on the return.
- Names, SSNs, ITINs, and EINs, were verified and correctly transferred to the return.
- Filing status was verified and correct.
- Personal and Dependency Exemptions are entered correctly on the return.
- All Income (including income with or without source documents) checked "yes" in Part III was correctly transferred to the tax return.
- Adjustments to income, such as student loan interest, IRA contributions, self employment tax, were verified and are correct.
- Standard, Additional or Itemized Deductions are correct.
- All credits are correctly reported.
- All applicable provisions of ACA were considered for each person named on the tax return and were entered correctly.

- Any Shared Responsibility Payments are correct.
- Withholding shown on Forms W-2, 1099 and Estimated Tax Payments are correctly reported.
- Direct Deposit/Debit and checking/saving account numbers are correct.
- SIDN is correct on the return.
- The taxpayer(s) was advised that they are responsible for the information on their return.

Certified Volunteer Preparer Name:

---

Certified Quality Reviewer Name:

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Additional Notes:

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Return Status:

- Ready to E-file
- Outstanding \*explain below
- Paper File \*explain below

# Part 3: Quality Review

Before handing the return off to a quality reviewer, make sure to write your name at the bottom of the last page! This will help us if we have any questions about the return during the Quality Review!

Certified Volunteer Preparer Name:

Jane Volunteer

Certified Quality Reviewer Name:

\_\_\_\_\_

Additional Notes:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Return Status:

- Ready to E-file
- Outstanding \*explain below
- Paper File \*explain below

# Part 3: Quality Review

Remember: If at any point in the return you come across something out of scope for you, but in scope for a more advanced volunteer, you should write a note at the bottom of the I/I supplement form!

Certified Volunteer Preparer Name:

*Jane Volunteer*

Certified Quality Reviewer Name:

\_\_\_\_\_

Return Status:

- Ready to E-file
- Outstanding \*explain below
- Paper File \*explain below

Additional Notes:

*Need to enter: Capital Gains 1099-B*

\_\_\_\_\_

\_\_\_\_\_

# Part 3: Quality Review

- Once the return has been quality reviewed and is ready to e-file, the quality reviewer will check the box "Ready to E-file"
- If the return is outstanding, there needs to be an explanation
- If the return needs to be paper filed for some reason there needs to be an explanation

Certified Volunteer Preparer Name:

Jane Volunteer

Certified Quality Reviewer Name:

Jenn Volunteer

Additional Notes:

~~Need to enter. Capital Gains 1099-B~~

Return Status:

Ready to E-file

Outstanding \*explain below

Paper File \*explain below

# Tax Preparation Process

- Part 1: Preliminary Interview
- Part 2: Preparing the Return in TaxSlayer
- Part 3: Quality Review
- **Part 4: Finishing the Return**
- Part 5: Filing the Return

# Part 4: Finishing the Return

- Write your name on the Intake/Interview Supplement Form
- Assist quality reviewer with printing and taxpayer signatures
  - Taxpayer and spouse must sign and date federal and state returns and keep for their records
- File Intake/Interview Form in filing box
  - Do NOT keep any personal documents!

# Tax Preparation Process

- Part 1: Preliminary Interview
- Part 2: Preparing the Return in TaxSlayer
- Part 3: Quality Review
- Part 4: Finishing the Return
- **Part 5: Filing the Return**



**SAVE FIRST**

**Advanced Training  
Fall Refresher**