



BakerRipley Neighborhood Tax Centers

Volunteer Tax Preparation Training





WELCOME AND INTRODUCTIONS



Course Objectives

At the end of this course, you will understand:

- BakerRipley Neighborhood Tax Centers
- Volunteer Requirements
- Tax Center Operations
- Tax Law Basics
- Tax Software



Course Format

- BakerRipley Neighborhood Tax Centers (BRNTC)
- Volunteering
- Tax Law Basics
- Introduction to TaxWise Online
- Tax Return Exercises
- Certification Process and Help Sessions



BakerRipley

- Largest Community Developer in SE Texas
- Serve over 500,000 people per year
- Operated NRG shelter after Hurricane Harvey
- Offer variety of services to community

www.bakerripley.org



BRNTC



- BakerRipley
- Volunteer Income Tax Assistance (VITA)
Program
- BRNTC Partners



VITA Program

- Program started in 1969 by IRS
- Similar to Tax Counseling for the Elderly (TCE)
- Provides free income tax preparation to vulnerable populations
- Operated by variety of entities but all are overseen by IRS
- Helps taxpayer avoid predatory preparers



BRNTC Partners

United Way THRIVE

- Collaborative led by United Way of Greater Houston of over 20 agencies and programs including BRNTC
- Offers services focused on increasing financial stability
- See list of services in Volunteer Handbook



BRNTC Partners

Host Partners

- Chinese Community Center (CCC)
- City of Houston
- Lakewood Church
- Memorial Assistance Ministries (MAM)
- United Way



BRNTC Partners

Other Partners

- Houston Volunteer Lawyers
- Taxpayer Advocate Service
- Houston Metropolitan Federal Credit Union (HMFCU)



HMFCU - Three Locations

- **Main Office:**
 - 608 East Tidwell. Houston, TX 77022
- **Downtown Branch:**
 - 611 Walker 1st floor, Houston, TX 77002
- **Promise Branch:**
 - 6500 Rookin St #109-C, Houston, TX 77074



Volunteering

- Volunteer Protection Act – 1997
- Why Volunteer
- Volunteer Website
- Volunteer Process
- Agreements
- IRS Certification(s)
- Resources



Volunteer Protection Act of 1997

- Protects volunteers from legal liability for returns prepared as long as all of following are true:
 - You are acting within the scope of your volunteer responsibilities
 - You completed the level of training and certification required for preparing tax returns
 - The harm was not caused by willful, criminal, reckless, or grossly negligent actions.



Why Volunteer

- Enhance Resumé
- Increase Knowledge
- Provide Community Service
- Improve People Skills
- Receive Volunteer Incentives
 - President's Volunteer Service Award for all volunteers with more than 100 hours annually
 - Gift card drawing for eligible volunteers

Meet Great People!



Volunteer Website

- Sign up for training and tax center shifts
- Sign in and out at tax centers
- Track volunteer hours

www.volunteer.bakerripley.org



Volunteer Process



- Attend BakerRipley agency orientation (one-time requirement)
- Sign up and attend training
- Attend Help Sessions if needed
- Pass certification tests
- Sign up for tax center shifts
- Volunteer at tax center!



Ethics



- NTC Agreement
- IRS Volunteer Standards of Conduct Agreement (Pub 6744, online)
- Example of Ethics Violations:
 - Accepting money (tip jar)
 - Using taxpayer information for personal gain
 - Knowingly preparing false returns
 - Completing returns for which you are not qualified



IRS Certification

- Will cover in depth at end of training
- Certifications
 - Volunteer Standards of Conduct (Pub 4961)
 - Intake Interview and Quality Review (Pub 5101)
 - Advanced (preferred) or Basic (Pub 6744)

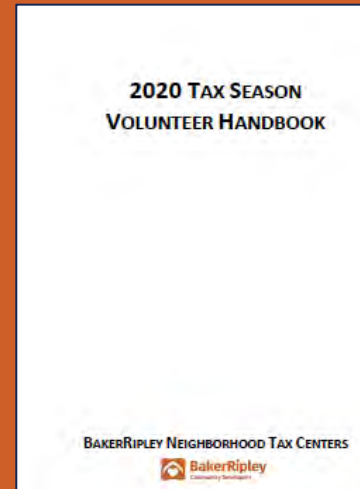
Exams are open book and can be taken up to 2 times!

- HELP Sessions
 - Get help while taking the test
 - See volunteer website for availability



Volunteer Resources

- Volunteer Handbook
- Training Exercises
- Publication 6744
- Publication 4012
- Publication 17 (online only)
- Publication 4961 (online only)
- Publication 5101 (online only)
- Help Sessions



Tax Law

- Program Scope
- Filing Requirements
- Filing Statuses
- Dependency Rules
- Tax Return Overview
- Income
- Adjustments to Income
- Deductions
- Credits



Program Scope

- Scope – IRS limitations on types of returns prepared by VITA
- Example out-of-scope items
 - Rental income
 - Some self-employment expenses e.g. home office, inventory, etc.
 - Corporate or partnership returns
- See Volunteer Handbook and IRS Pub 4012 for details
- **Talk to a Manager** if return appears to be out of scope



Filing Requirements

- Some taxpayers must file and some should file
- Must file – Taxpayer has legal requirement to file based on filing status and income
- Should file – There is no legal requirement to file but it may be beneficial to taxpayer
- See IRS Pub 4012, Section A



Examples of Who **MUST** File

- Taxpayer with Single filing status under age 65 with gross income \geq \$12,200
- Married taxpayers under age 65 filing joint return with gross income \geq \$24,400
- Any taxpayer who had Marketplace health insurance during tax year
- Self-employed taxpayer with income \geq \$400

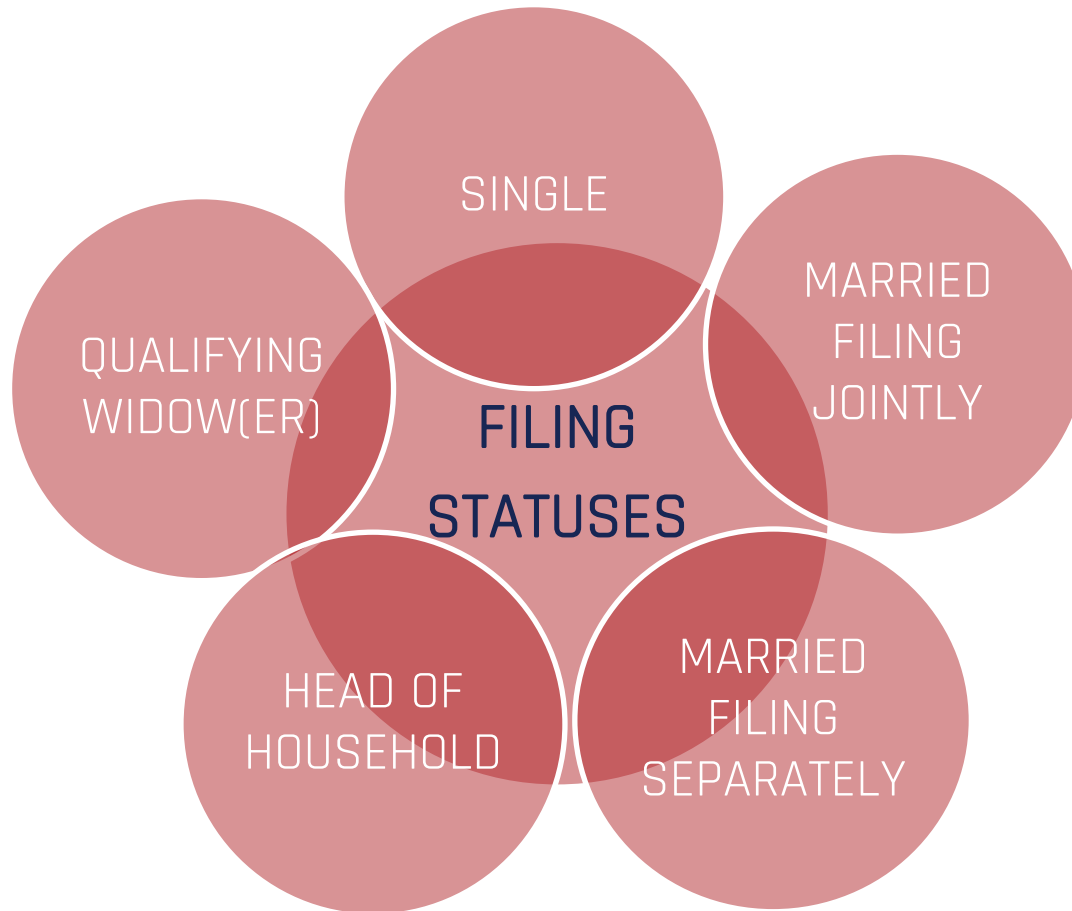


Examples of Who **SHOULD** File

- Taxpayers who had withholding in excess of their tax liability
- Taxpayers who had federal income tax withheld on Social Security income
- Taxpayers who might qualify for credits
- All taxpayers - reduce identity theft



Five Filing Statuses



Single

Taxpayers may use Single filing status if on the last day of the tax year they were:

- Unmarried
- Legally separated (does not apply in Texas)
- Divorced, or
- Widowed before the beginning of the tax year, did not remarry before Dec 31, and have no qualifying children



Married Taxpayers

- Married taxpayers have 2 options:
 - Married Filing Jointly
 - Married Filing Separately
- Marriage includes
 - Same sex marriage
 - Common law marriage in states where recognized
 - Couple holds out as married - not just living together, no specific time frame required
 - No Common-Law Divorce!



Married Filing Jointly (MFJ)

- For MFJ, taxpayers must be
 - Legally married
 - Widowed during the year and did not remarry
 - Holding themselves out as married, otherwise known as common law marriage
 - Both spouses must agree to file MFJ
- **DO NOT** marry taxpayers by preparing MFJ return
- May file MFJ even if only one spouse has income
- Always ask whose name should go on the return first



Married Filing Separately (MFS)

- Married taxpayers who choose not to file as MFJ must file as MFS.
- Always ask clients “Why?” if filing MFS to make sure it’s for the right reason
- MFJ is often more advantageous
 - Tax rate
 - Available credits
- MFS may be right choice in certain cases



Head of Household (HOH)

General Rule

- May file as HOH if taxpayer meets **ALL** of the following requirements
 - Taxpayer is not married (single, divorced, or legally separated), on the last day of the tax year
 - Taxpayer paid more than half the cost of keeping up a home for the year
 - A person who qualifies taxpayer for HOH filing status lived with taxpayer for more than half the year, except for temporary absences (special rules apply to dependent parents).



Head of Household (HOH)

Exception

- Married taxpayer may qualify to file as HOH if considered unmarried by the IRS. **ALL** of the following must be true for this exception to apply:
 - Taxpayer's spouse did not live with taxpayer during last six months of tax year
 - Taxpayer is filing return separately from spouse
 - Taxpayer paid more than half of the costs of keeping up home during the year
 - Qualifying Child who is the taxpayer's child, stepchild, or foster child lived in home for over half the year



Qualifying Widow(er)

All of the following must be true for the taxpayer to file as a Qualifying Widow(er)

- Taxpayer's spouse died within the two years prior to the tax year
- Taxpayer was entitled to file a joint return with the spouse the year the spouse died
- Taxpayer did not remarry before the end of the tax year
- Taxpayer provided over half the cost of keeping up a home
- Taxpayer's child or stepchild lived in the home all year and that child is the taxpayer's Qualifying Child or Qualifying Relative



Dependency

- All Dependents
 - Dependent Taxpayer
 - Joint Return
 - Citizen or Resident
- Qualifying Child Criteria
 - Relationship
 - Age
 - Residency
 - Support
- Qualifying “Relative” Criteria
 - Not a Qualifying Child
 - Relationship
 - Gross Income
 - Support

Always refer to Decision Trees in Volunteer Handbook



Rules – All Dependents

Dependent Taxpayer

- Taxpayer cannot claim dependents if claimed as a dependent by another taxpayer

Joint Return

- Person filing as MFJ cannot be claimed as dependent unless joint return filed only to claim a refund of withheld income tax or estimated payments



Rules – All Dependents

Citizen or Resident

- Person being claimed as dependent must be
 - U.S. citizen *OR*
 - U.S. resident alien *OR*
 - U.S national *OR*
 - Resident of Canada or Mexico



Rules – Qualifying Child

Relationship

- Son, daughter, adopted child, stepchild, foster child or a descendent of any of them such as a grandchild
- Brother, sister, half-brother, half-sister, stepbrother, stepsister or a descendant of any of them such as a niece or nephew



Rules – Qualifying Child

At the end of the filing year:

- child was younger than taxpayer (or spouse if filing a joint return) and younger than 19
- child was younger than taxpayer (or spouse if filing a joint return), younger than 24, and a full-time student
- child was any age and permanently and totally disabled



Rules – Qualifying Child

Residency

- Child lived with taxpayer (or spouse if filing a joint return) in the United States for more than half of the year

Support

- Child did not provide over half of his/her support during tax year – only applies if child's funds actually spent for support



Rules – Qualifying Relative

Not a qualifying child

- The individual cannot be your Qualifying Child and cannot be someone else's Qualifying Child. They are a Qualifying Child if they meet all the requirements, whether or not they are claimed as a dependent.



Rules - Qualifying Relative

Member of Household or Relationship

- The person must either have lived with you for the entire year as a member of the household (a person who is not actually related to you may meet the requirements in this way), or
- Be related to you in *one of the following ways*: your child, stepchild, grandchild or other descendant of one of your children (or stepchildren or foster children), son-in-law, daughter-in-law, brother, sister, half-brother, half-sister, stepbrother, stepsister, brother-in-law, sister-in-law, parent, stepfather, stepmother, father-in-law, mother-in-law, grandparent, and, if related by blood, aunt, uncle, niece, or nephew.



Rules - Qualifying Relative

Gross Income

- The person must have made less than \$4,200 in gross income during 2019.

Support

- You must have provided more than half of the individual's total support during the year.



Form 1040 Overview

- Page 1 includes all personal information, income, adjustments, standard or itemized deduction and federal tax liability
- Page 2 includes credits, additional taxes, direct deposit information, and final amount of tax due or refund
- Schedules 1 – 3 provide additional details



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

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 ▶ <input type="checkbox"/>				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.

12a	Tax (see inst.) Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/>	12a	
b	Add Schedule 2, line 3, and line 12a and enter the total		12b
13a	Child tax credit or credit for other dependents	13a	
b	Add Schedule 3, line 7, and line 13a and enter the total		13b
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

• If you have a qualifying child, attach Sch. EIC.
 • If you have nontaxable combat pay, see instructions.

Refund

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 <input type="checkbox"/>		21a
b	Routing number	c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings	
d	Account number		
22	Amount of line 20 you want applied to your 2020 estimated tax	22	

Direct deposit? See instructions.

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**

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.) <input type="text"/>
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.) <input type="text"/>
Phone no.	Email address		

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

Paid Preparer Use Only

Preparer's name	Preparer's signature	Date	PTIN	Check it: <input type="checkbox"/> 3rd Party Designee <input type="checkbox"/> Self-employed
Firm's name	Phone no.		Firm's EIN	
Firm's address				

1040 Tax Return Components

Earned income
Plus
Unearned income
Equals
Gross Income
Minus
Adjustments to Income
Equals
Adjusted Gross Income
Minus
Deductions
Equals
Taxable Income
(Used to calculate tax liability)

Tax Liability
Minus
Nonrefundable Credits
(maximum amount is tax liability)
Plus
Other Taxes
Minus
Federal Income Tax Withheld
Minus
Refundable Credits
Equals
Refund or Balance Due



Tax Return Example

Income	Wages, salaries, tips, etc.	\$30,000
	Taxable interest	+2,500
	Capital gains	+2,500
	Business Income	+5,000
	Total income	40,000
Adjustments to income	Student Loan Interest	-2,500
	Adjusted gross income	37,500
Standard deduction	(or itemized deductions)	-12,200
	Taxable income	25,300
	Tax (from IRS tax tables)	2,842
Non-refundable credits	e.g., Child Tax Credit, Other Dependent Credit	-500
Other taxes	e.g., Self-Employment Tax	+750
	Total tax	3,092
Taxes withheld	e.g., from paycheck	-2,500
Refundable credits	e.g., Earned Income Credit, Additional Child Tax Credit	-1000
	Net tax due or refund	Refund: \$408



Income

- Section 61(a) of the Internal Revenue Code defines gross **income** as:
 - **Income** from whatever source derived, including (but not limited to) “compensation for services, including fees, commissions, fringe benefits, and similar items.”
- Earned Income e.g. wages, salary, cash income
- Unearned Income e.g. interest, pensions
- Gross Income = Earned income + Unearned Income



Adjustments

- Expenses that can be subtracted from income
- Adjustments common to returns prepared at a VITA site are:
 - Educator expenses
 - Deductible part of self-employment
 - Penalty on early withdrawal of savings
 - Student loan interest deduction

**GROSS INCOME MINUS ADJUSTMENTS TO INCOME = ADJUSTED
GROSS INCOME (AGI)**



Deductions

- Subtractions from Income
 - Standard Deduction or Itemized Deductions
 - Qualified Business Income Deduction (Self-Employed)
- **AGI – DEDUCTIONS = TAXABLE INCOME**



Adjustments vs. Deductions

- Both reduce taxable income
- Main difference is when they are done in relation to AGI
 - Total income - adjustments = AGI
 - AGI - deductions = taxable income



Credits

- **Nonrefundable** tax credit – amount you receive is limited by tax liability
- **Refundable** tax credit – you receive full amount of credits even if they exceed tax liability



Credits – 2 kinds

Nonrefundable

- Other Dependent Credit
- Child Tax Credit (CTC)
- Retirement Savings Credit
- Foreign Tax Credit
- Education Credit
- Child Care Credit

Refundable

- Earned Income Tax Credit (EITC)
- Additional Child Tax Credit (ACTC)
- Education Credit
- Premium Tax Credit (PTC)



Credits vs. Adjustments/Deductions

- Adjustments and Deductions
 - Reduction of tax liability depends on tax bracket
 - \$100 adjustment, 10% bracket => \$10 reduction in tax liability
- Credit
 - Dollar for dollar reduction in tax liability
 - \$100 credit => \$100 reduction in tax liability



Affordable Care Act (ACA) Overview

- Legislation passed in 2010
- Intent was to enable almost everyone in United States to have access to affordable health insurance as of 1/1/14.
- Insurance available through
 - Employer
 - Government
 - Marketplace if neither of above available and individual meets Marketplace requirements



Affordable Care Act (ACA) Overview

- 2014-2018 – Everyone had to:
 - Have qualifying health insurance *OR*
 - Qualify for an exemption *OR*
 - Pay a Shared Responsibility Payment (SRP)
- 2019
 - Change in tax law reduced SRP to \$0
 - Nothing else in ACA was affected
 - No longer have to qualify for an exemption



Premium Tax Credit (PTC)

- Reduces cost of health insurance purchased through Marketplace if individual meets requirements.
- Taxpayer may receive PTC either as
 - Premium assistance paid by the government for the taxpayer during tax year is Advance Premium Tax Credit (APTC)
 - On tax return
 - Combination of the above



Premium Tax Credit (PTC)

- APTC based on information provided when insurance purchased or renewed
 - Estimated income
 - Expected family size
 - Expected filing status
- Tax return reconciles APTC received and the actual PTC to which taxpayer is entitled
- Must have Form 1095-A to perform reconciliation



Affordable Care Act: Form 1095A (Marketplace)

Form 1095-A Health Insurance Marketplace Statement VOID CORRECTED OMB No. 1545-0047
Department of the Treasury Internal Revenue Service **20XX**
 Do not attach to your tax return. Keep for your records.
 Do to www.irs.gov/Form1095A for instructions and the latest information.

Part I Recipient Information

1 Marketplace identifier	2 Marketplace-assigned policy number	3 Policy issuer's name Blue Cross Blue Shield	
4 Recipient's name George Clooney		5 Recipient's SSN XXX-XX-XXXX	6 Recipient's date of birth 11-15-1975
7 Recipient's spouse's name		8 Recipient's spouse's SSN	9 Recipient's spouse's date of birth
10 Policy start date 01-01-20XX	11 Policy termination date 10-31-2018	12 Street address (including apartment no.) 14016 Bayview Drive	
13 City or town Houston	14 State or province Texas	15 County and ZIP or foreign postal code 77025	

Part II Covered Individuals

A. Covered individual name	B. Covered individual SSN	C. Covered individual date of birth	D. Coverage start date	E. Coverage termination date
16 George Clooney	XXX-XX-XXXX	11-15-1975	01-01-20XX	10-31-20XX
17				
18				
19				
20				

Part III Coverage Information

Month	A. Monthly enrollment premiums	B. Monthly second lowest cost silver plan (SLCSP) premium	C. Monthly advance payment of premium tax credit
21 January	196.90	244.19	120.00
22 February	196.90	244.19	120.00
23 March	196.90	244.19	120.00
24 April	196.90	244.19	120.00
25 May	196.90	244.19	120.00
26 June	196.90	244.19	120.00
27 July	196.90	244.19	120.00
28 August	196.90	244.19	120.00
29 September	196.90	244.19	120.00
30 October	196.90	244.19	120.00
31 November			
32 December			
33 Annual Totals	1,969.00	2,441.90	1,200.00

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Call No. 800-330-1030 Form 1095-A (2017)





QUESTIONS?



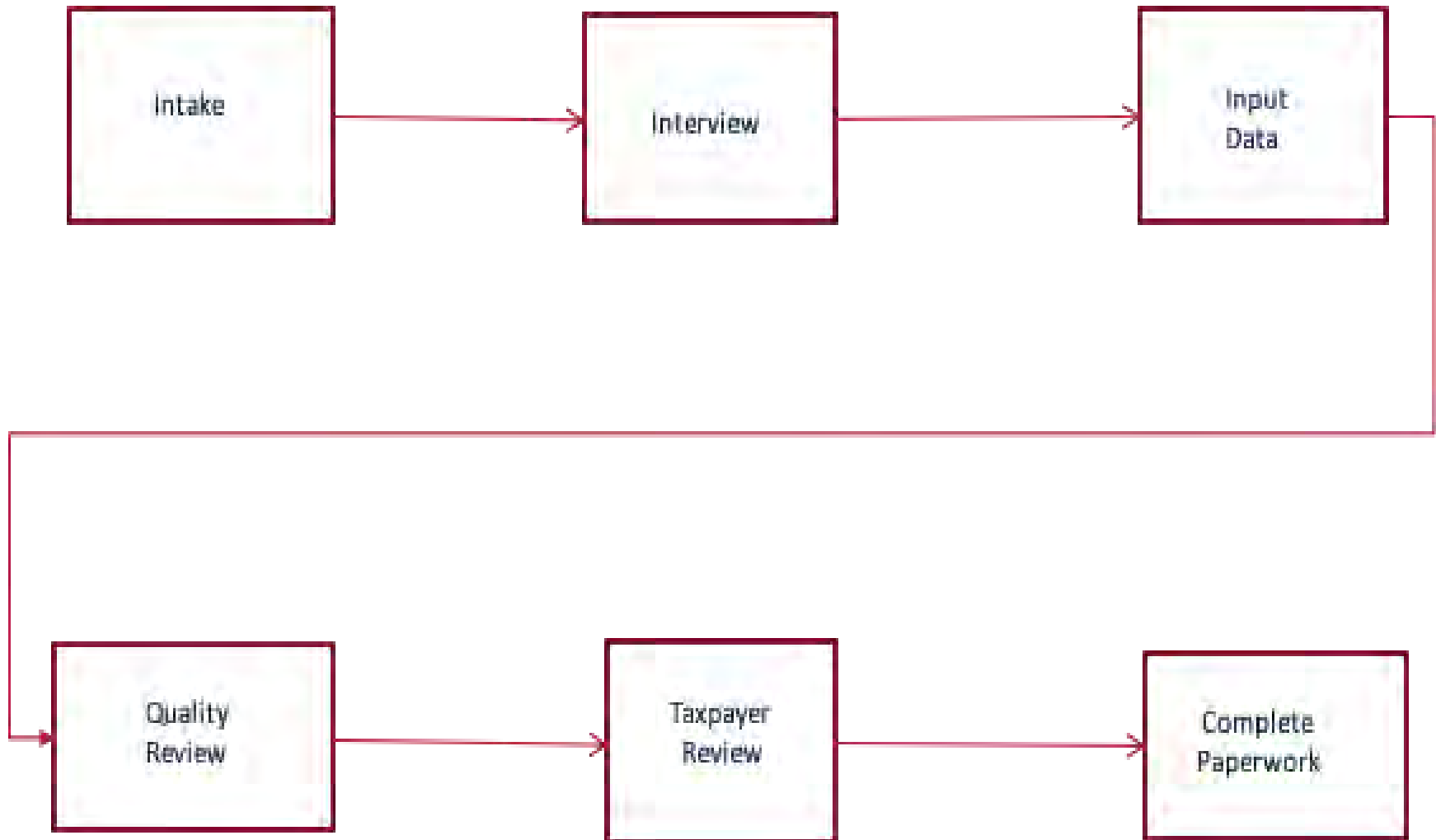


BakerRipley Tax Centers

Volunteer Training
Exercises



Tax Return Preparation Sequence



Importance of Interview

- Introduction

- A basic component of preparing an accurate return begins with explaining the tax preparation process, completing all questions on Form 13614-C, listening to the taxpayer, and asking the right questions.
- Form 13614-C is commonly referred to as the IRS intake sheet



Verifying Identity

- Identity Theft continues to be a nationwide problem. The interview should begin by requiring photo ID and Social Security card/ITIN letter to verify the identity of the taxpayer and spouse on the tax return.



Personal Information – Page One Part One

- Information in Part I impacts tax law determinations.
- For example:
 - when a taxpayer is a full time student it may impact multiple tax law issues such as:
 - Child and Dependent Care Credit
 - Retirement Savings Contributions Credit
 - Various Education Credits
 - Whether the taxpayer can be claimed as a dependent



Marital Status – Page One Part Two

- Information in this section will help you make determinations about:
 - Filing status
 - Dependency exemptions
 - Various credits and deductions



Household Information



- This area of the form should only reflect those who will be listed as dependents on the return



DO NOT GUESS ON FILING STATUS

AND

ALWAYS ANSWER DEPENDENCY QUESTIONS



The Interview Process

- Do not begin entering taxpayer information into the software until you have completed a thorough interview.
- The interview can determine things like:
 - Is the return within your certification level
 - Is the return outside the scope
 - Does the taxpayer have all needed information or documentation
- Discovering these things before starting a return will save your time, the taxpayer's time, and will avoid much frustration.



Clarifying Questions

Example:

- "You marked that no one else lived in your home. Is that correct?"
- "Is your pension your only source of income?"
- Update or correct the intake sheet with any changes identified during the interview.
- Review is a great opportunity to engage the taxpayer in a conversation.
- Does the taxpayer understand all of the questions
- Do you understand their answers.
- Clarification of this information is a very effective way to gather all needed information.



Conflicting Information

Example:

- "I see that you and your husband both worked, yet you did not indicate you paid any child care expenses for your 3 year old son"
- "I see that you are over the age of 65, yet you did not indicate that you received Social Security benefits."
- "I see that you answered "No" to the question 'Can anyone claim you on their tax return?' But since you're a student living with you parents, I'm wondering if they can claim you."



Confidentiality

- Most centers are small and tables and chairs are in close proximity to one another.
- This means we have to be especially careful when speaking to our clients.



Confidentiality

- Things to consider:
 - Speak softly so others do not hear your conversation
 - Do not talk across desks or the room in general
 - Do not repeat Social Security information out loud
 - Do not mention dollar amounts when explaining a return
 - Turn paperwork over or put in client envelope if you have to leave your computer unattended



Computer Access

- ALL CELL PHONES: "AIRPLANE MODE"
DO NOT CHANGE ANY COMPUTER SETTINGS
- LOGON TO COMPUTER:
 - USER NAME:** taxuser
 - PASSWORD:** taxpasword

STOP



TaxWise Access

- Client ID and User Name
 - FOR TRAINING PURPOSES ONLY
 - DO NOT USE THIS INFORMATION AT A TAX CENTER

EACH CENTER HAS A DIFFERENT SET OF LOGONS

USE INTERNET EXPLORER ONLY



Log On Rules

- Three failed attempts will lock you out
- Don't forget ReCaptcha
- Check Caps Lock
- Internet Explorer only
- Put cell phone on airplane mode
- Do not use computer for anything other than TaxWise



Password Rules

- Case sensitive
- 8-20 characters
- Different than 10 prior passwords
- Must contain
 - Upper case
 - Lower case
 - Number
 - Special character



Logging on to TaxWise

The screenshot shows the TaxWise Client Login page in a web browser. The browser's address bar displays the URL: `twonline-18.taxwise.com/User/Login.aspx?ReturnUrl=%2fDefault.aspx`. The page title is "Client Login" and it prompts the user to "Please login to your account by completing the form below".

The login form includes the following fields and elements:

- Client ID:** A text box containing the value "80047228". A red arrow points from the text "80047228" to this field.
- Username:** A text box containing the value "taxes0XXX".
- Password:** A password input field.
- User Verification:** A section containing a "I'm not a robot" checkbox and a reCAPTCHA image.
- Warnings and Links:** A "WARNING: Three unsuccessful login attempts will lock your account." message, followed by links for "First time signing in?", "Forgot username or password?", and a checked "Remember Me" option.
- Password Requirements:** A yellow highlighted box on the right side of the form lists the following requirements:
 - Must be at least 8 characters in length
 - Must not exceed 100 characters
 - Must contain at least one of the following:
 - Uppercase character
 - Lowercase character
 - Number
 - Special character
 - Cannot contain the user name
 - Cannot reuse any of your last 10 passwords
 - Passwords expire every 90 days

At the bottom of the page, there is a copyright notice: "© 2019 Universal Tax Systems, Inc. and/or its affiliates and licensors. All rights reserved." and links for "Terms of Use", "Privacy", and "Security". The Windows taskbar at the bottom shows the search bar with "Type here to search" and the system tray with the date and time "11:23 AM 10/30/2019".

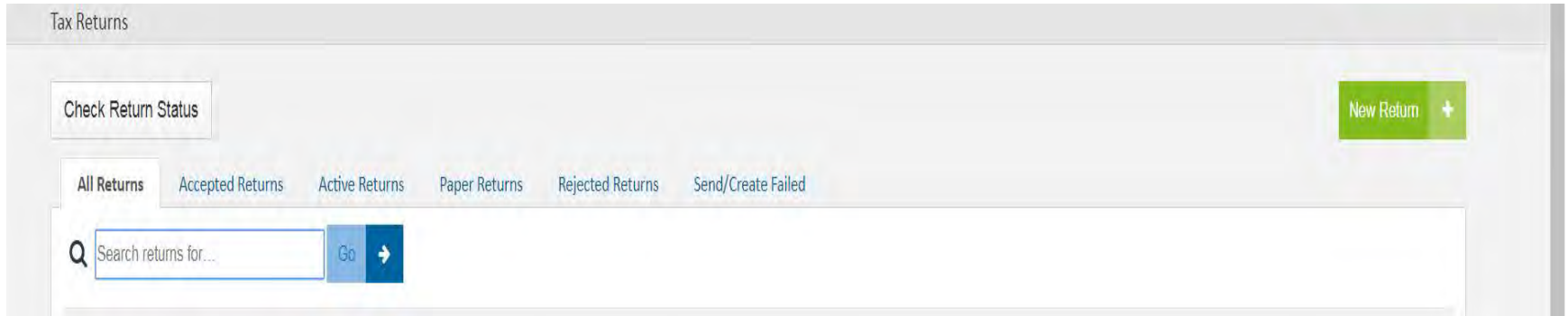


Logging on to TaxWise

The screenshot shows a web browser window with two tabs: '2018 Form 8880' and 'TaxWise Online : 1040 Ind'. The address bar displays the URL 'https://twonline-17.taxwise.com/SearchReturns.aspx?key=All'. The browser's taskbar shows several open applications, including 'Apps', 'TaxWise 16', '199A', 'UltiPro', 'Reform Bill', 'TaxWise 17', and 'eCoordinator 8.1'. The main content area features the 'TaxWise' logo in green and a navigation menu with 'Dashboard', 'Tax Returns' (highlighted in green), 'e-Filing', and 'Reports'. Below the navigation, the 'Tax Returns' section is active, showing a 'Check Return Status' button and a set of tabs: 'All Returns' (selected), 'Accepted Returns', 'Active Returns', 'Paper Returns', 'Rejected Returns', and 'Send/Create'. A search bar is located below the tabs, containing the text 'Search returns for...' and a 'Go' button with a right-pointing arrow.



Starting a New Return



Exercise 1: John Thompson

1. John is single and has been divorced for several years
2. John does not have any dependents
3. John did not have Marketplace Health Insurance last year
4. John has been a victim of identity theft and provides you with a letter he received from the IRS
5. John says that if he is receiving a refund he would like direct deposit



Identity Theft

- Tax-related identity theft occurs when someone uses a stolen Social Security number to file a tax return & obtain a fraudulent refund
- IRS will provide victims of ID theft a new PIN every year before the start of the tax season
- Make sure that letter is for current tax year or else the IRS will reject the return



Thompson Review Questions

- Where do you input the identity theft pin in the software?
- The identity theft pin appears on the printed return? T/F
- An identity theft pin is not necessary to e-file a tax return. T/F
- What is John Thompson's standard deduction?



John Thompson

Lessons learned

- Main information entry
- Identity theft PIN and where to enter it
- Forms: W2, withholding

Note: with new information, this will become an advanced return in a subsequent exercise



Exercise 2: Bob and Sarah MacDougal

1. Bob and Sarah are married and would like to file together.
2. They have one child, Jane, who they support and Jane lived with them all year.
3. Bob and Sarah both work and have W-2's.
4. Bob, Sarah, and Jane all have insurance and it is not Obamacare.
5. Sarah is a teacher. She spent \$400 to purchase school supplies for her class. She did not receive any money from the school district for these expenses.
6. Bob and Sarah pay child care for Jane so that they can work. Sarah gives you a copy of their child care expenses.
7. They would like to direct deposit their refund. They do not have a copy of a check but they have the information for their bank.



MacDougal Review Questions

- What triggers the retirement savings credit to get calculated?
- What is the form for the Qualified Savings Retirement Credit?
- Which answer will qualify you for the retirement savings credit?
- Sarah's W2 does not have anything in boxes 3 and 4 because
- What is the amount of Child and Dependent Care Credit for Jane MacDougal?



Bob and Sarah MacDougal

Lessons learned

- Filing status: Married Filing Jointly
- Nickname vs. legal name
- Forms: W-2 (one for a teacher with no SSI wages/taxes), Childcare Statement Form 2441, Retirement Savings Credit Form 8880
- Topics: educator expenses, child and dependent care credit, retirement savings contribution credit, earned income credit

Note: with new information, this will become an advanced return in a subsequent exercise



Exercise 3: Sean and Betsy Allendale

1. Sean and Betsy have been married for 14 years; they want to file married filing jointly.
2. Sean and Betsy are both receiving Social Security benefits and have their statements.
3. Sean is receiving retirement income and provides a 1099-R.
4. Sean and Betsy are both insured with Medicare.



Allendale Review Questions

- What is the standard deduction for the Allendale's?
- The Allendale's have taxable social security? True or False?



Sean and Betsey Allendale

Lessons learned

- Filing status: Married Filing Jointly
- Forms: SSA-1099, 1099-R with Code 7 (no penalty for early withdrawal)
- Topics: linking to enter Social Security income and Medicare premiums

Note: with new information, this will become an advanced return in a subsequent exercise



Exercise 4: Barbara Sutton

1. Barbara is still married but has not lived with her husband for the last 3 years. Barbara's daughter, Ellen, lived with Barbara all year. Barbara provided all of Ellen's support.
2. Barbara works full time and provides you with a W-2.
3. Barbara also took a distribution from her retirement account and provides you with a 1099-R.
4. Barbara also provides you with an unemployment statement.
5. Barbara would like direct deposit if she is getting a refund.



Sutton Review Questions

- What is Barbara's filing status?
- What is Barbara's standard deduction?



Barbara Sutton

Lessons learned

- Filing status: Head of Household
- Always mark EIC box for dependents
- Forms: W-2, 1099-R, 1099-G
- Penalty for early withdrawal of retirement savings



Exercise 5: Sally Stewart

1. Sally's husband died five years ago. She has not remarried.
2. Sally has one son, Robert. Robert did not work at all last year and is not disabled. Sally provides all support for Robert.
3. Sally has one W-2 and a gambling statement. She tells you that she had \$2,000 in losses.
4. If Sally is getting a refund she would like direct deposit. She does not have anything with her account number on it but she knows her account number by memory and tells you that she banks at Chase and the account was opened in Houston.



Stewart Review Questions

- Sally's son Robert, qualifies her for EIC. T/F?
- Sally's son does not have insurance, how much is her Shared Responsibility payment?
- How much of Sally's gambling is taxable?



Sally Stewart

Lessons learned

- Filing status: Head of Household with dependent son that does not fit normal criteria for claiming a child.
- Gambling Form W2-G, gambling losses would only benefit Sally if she itemized deductions
- Other Dependent Credit: \$500

Note: with new information, this will become an advanced return in a subsequent exercise



Exercise 6: Quincy Pike

1. Quincy and Marion are boyfriend and girlfriend. Marion and her son Lucas lived with Quincy all year.
2. Marion works part time and made \$2900 last year.
3. Quincy works full time and supports Marion and Lucas.
4. Lucas' father does not support Lucas in any way.

Note: discussion only - no tax return preparation



Pike Review Questions

- Is Quincy eligible for Other Dependent Credit?
- Does Marion's W2 belongs on Quincy's return?
- What is Quincy's filing status?



Quincy Pike

Lessons learned

- Filing status: Single with dependents
- Forms: W-2, including one that doesn't belong on the tax return
- Check DC box on main information page to generate form for Child and Dependent Care Credit
- No EIC because Lucas is not a Qualifying Child, but Quincy receives Other Dependent Credit for Marion and Lucas



Exercise 7: Samuel Davis

1. Samuel and Lucy are legally married, but he has not seen or heard from her in over 5 years.
2. Samuel works and provides you with a W-2.
3. Samuel attended computer classes at HCC and has a Form 1098-T. He wants to know if this is something that needs to be reported on his tax return.
4. Samuel also tells you that he paid \$876.99 in student loan interest last year. He does not have the form with him.
5. He would like to receive his refund through direct deposit. He provides his checking account information on the intake sheet.



Davis Review Questions

- What is the Samuel's filing status?
- Which credits are disallowed when taxpayer uses filing status of Married Filing Separately?



Samuel Davis

Lessons learned

- Filing status: Married Filing Separately (MFS)
- Forms: W-2, 1098-T, student loan interest with no 1098-E.
- No EIC, Lifetime Learning Credit, or student loan interest adjustment for MFS client, but we learned how to enter the information



What is an ITIN?

- Individual Taxpayer Identification Number (ITIN) is a tax processing number issued by the IRS
- IRS issues ITINs to individuals who are required to have a U.S. taxpayer identification number but who do not have and are not eligible for a SSN
- Created for tax purposes by the IRS in July 1996
- ITINs are not SSNs but look similar and all start with "9"



What is an ITIN used for?

ITINs:

- Help individuals comply with the U.S. tax laws. Both resident and nonresident aliens may have a U.S. filing or reporting requirement under the Internal Revenue Code.
- Issued regardless of immigration status.
- Do not serve any purpose other than federal tax reporting.



ITIN Application/Renewal Process

ITIN application and renewal returns involve a 2-step process.

1. Prepare return at any of NTC's 11 tax centers
 - a. Review return with client
 - b. Do not print return
 - c. Ask manager to set appointment for the 2nd step in the process.
2. Taxpayer makes an appointment at time return is prepared to see ITIN specialist at Gulfton Sharpstown Tax Center.



ITINs DO NOT

- Authorize work in the U.S.
- Provide eligibility for Social Security benefits
- Qualify taxpayer for Earned Income Tax Credit



Applicants vs Holders

- ITIN APPLICANTS

- Needs to file a tax return or be listed on a tax return as a spouse or dependent
- Is not eligible for a SS
- Does not currently have an ITIN

- ITIN HOLDERS

- Currently has an ITIN
- ITIN may or may not need to be renewed



No SSN or ITIN – Primary Taxpayer Only

- Click on “Apply for ITIN” when asked for the TIN. The field for the taxpayer’s TIN will be blank and red throughout the return.
- Prepare the return as PAPER return
- Ask for a quality review
- Review the tax return with the client on the computer only.
 - DO NOT PRINT RETURN
 - Ask for a translator if necessary
- Ask manager to schedule ITIN appointment



No SSN or ITIN – Spouse or Dependent

- Start return with primary taxpayer's TIN
- Leave the field for the ITIN applicant's TIN blank when preparing the return
- Ask for a quality review
- Review the tax return with the client on the computer only. Tell client that refund may change when the ITIN application is completed
 - DO NOT PRINT RETURN
 - Ask for a translator if necessary
- Ask manager to schedule ITIN appointment.



Things to know about ITINs

- Everyone on the tax return can renew their ITINs at the same time even if only one of the ITINs is expired.
- ITIN applicants – the button (APPLY FOR ITIN) In TaxWise Online is ONLY to be used if the primary taxpayer is applying for an ITIN.
- ALL ITIN renewals AND application returns are PAPER and are NOT printed.



ITIN RENEWAL NUMBERS

- **2016 78 – 79**
- **2017 70 – 71 – 72 – 80**
- **2018 73 – 74 - 75 – 76 – 77 – 81 – 82**
- **2019 83 – 84 – 85 – 86 - 87**

Any number if it has not been used in the last 3 years.

Active numbers expire every 5 years.



ITIN Review Questions

- How often do you have to renew an ITIN?
- When an ITIN applicant is ready to finish the process, where do they go?
- The application/renewal process for ITIN's requires the person to have an appointment to finish the process after having the return prepared at any of NTC's 11 tax centers. T/F



Exercise 9: Jose and Maria Jimenez

1. Jose and Maria are married with one son, David.
2. Jose, Maria and David all live in the United States, where Jose provides all of their support.
3. Jose tells you that last year he got \$25 in interest from the Promise Credit Union but he does not have a 1099-Int.
4. Jose received some dividends and provides you with a 1099-Div.
5. David is a junior at the University of Houston. In addition to paying some of his tuition they spent \$525 for David's books, chemistry and engineering lab fees and for school supplies.
6. Jose also provides all the support for his mother, Guadalupe, who lives in Mexico.
7. Jose, Maria, and Guadalupe all have ITINs. Jose renewed his ITIN. David was born in the United States and has a Social Security number.
8. If Jose and Maria are getting a refund they would like a direct deposit into their savings account at the Promise Credit Union.



Jimenez Review Questions

- Can Jose and Maria claim Earned Income Credit? Y/N
- If a taxpayer with a social security number is married to and living with a spouse with an ITIN can they claim the Earned Income Tax Credit, if they are otherwise eligible? Y/N



Jose and Maria Jiminez

Lessons learned

- Showing a dependent who lives in Mexico
- W-2 from an ITIN holder with Social Security number
- ITIN letter showing renewal
- Interest and dividend data entry, form required for dividends but not interest
- American Opportunity Credit information entry





Neighborhood Tax Centers

Volunteer Training Exercises
Advanced Topics



Exercise 1A: Sean and Betsey Allendale

1. You are explaining the return to the Allendales. When you show them their pension income and IRA distributions they question the amount.
2. Mr. Allendale realizes that you don't have his retirement income. He provides you with his 1099-R. He retired February 15 of last year. He started receiving retirement income in May of last year.
3. In addition to the 1099-R, Mrs. Allendale reminds Mr. Allendale that he drove for Uber last year. He then provides you with a 1099-Misc and a form 1099-K from Uber. He also tells you that he had an additional \$1,085 in tip income from his customers NOT included on the Uber statements. In addition to the expenses on the Uber statement he has the following expenses related to his Uber driving:
 - a) Snacks and water for passengers
 - b) Car deodorizers
 - c) Meal expenses
 - d) Car washes
 - e) Cell phone



Schedule C – Self Employment

- Report income or loss from a business or profession practiced as a sole proprietor. Activity qualifies as a business if it is for income or profit and involved in with continuity and regularity & not a hobby
- Allowable business expenses can be deducted, but business losses are out of scope
- Self Employment Tax: a Social Security and Medicare tax for individuals who work for themselves. 50% of the Self Employment tax is deductible as an adjustment to income.
- Qualified Business Income deduction: 20% of qualified business income, reduces income tax but not self employment tax
- Schedule C tips:
 - In TaxWise, make sure you link to only one Schedule C
 - Refer to Volunteer Handbook for business codes
 - Ensure thorough discussion of business expenses during client interview
 - Only business and not commuting mileage allowed
 - No scratchpads when entering expenses - use direct entry in Schedule C



Qualified Business Income Deduction

- Self-employed taxpayers who meet certain requirements can receive a Qualified Business Income (QBI) Deduction of 20%
- Applicable to the lesser of the self-employment income or the taxable income prior to the QBI deduction.
- Does not apply to the Self Employment Tax calculation.



Sean and Betsey Allendale

Lessons learned

- Forms: 1099-Misc, 1099-K, Expense worksheet
- Simplified Method
- Taxable Social Security
- Schedule C information entry for self employed clients
- Qualified Business Income deduction



Exercise 2A: Sally Stewart

1. In addition to the information already provided, Sally tells you that she is required to make annual payments for the First Time Homebuyer Credit she received. She has made the minimum payment of \$500 every year since 2010.
2. Sally also tells you that she took some money out of a retirement account and doesn't know if the money is taxable. She shows you the form and tells you that most of the money was used for medical expenses.
3. She wants to know if she can itemize. She provides you with an Itemized Deduction Worksheet.



First Time Homebuyer Credit

- The Housing and Economic Recovery Act of 2008 established a tax credit for first time homebuyers for up to \$7500
- Similar to a no-interest loan and must be repaid in annual installments beginning with the 2010 tax year
- Minimum annual repayment is \$500 (\$250 if MFS)



Itemized Deductions

SCHEDULE A (Form 1040)		Itemized Deductions		OMB No. 1545-0074 2018 Attachment Sequence No. 07	
Department of the Treasury Internal Revenue Service (99)		▶ Go to www.irs.gov/ScheduleA for instructions and the latest information. ▶ Attach to Form 1040.		Caution: If you are claiming a net qualified disaster loss on Form 4684, see the instructions for line 16.	
Name(s) shown on Form 1040				Your social security number	
Medical and Dental Expenses	Caution: Do not include expenses reimbursed or paid by others.				
	1	Medical and dental expenses (see instructions)	1		
	2	Enter amount from Form 1040, line 7 <input type="text" value="2"/>	2		
	3	Multiply line 2 by 7.5% (0.075)	3		
	4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-		4	
Taxes You Paid	5 State and local taxes.				
	a State and local income taxes or general sales taxes. You may include either income taxes or general sales taxes on line 5a, but not both. If you elect to include general sales taxes instead of income taxes, check this box <input type="checkbox"/>		5a		
	b State and local real estate taxes (see instructions)		5b		
	c State and local personal property taxes		5c		
	d Add lines 5a through 5c		5d		
	e Enter the smaller of line 5d or \$10,000 (\$5,000 if married filing separately)		5e		
	6 Other taxes. List type and amount ▶		6		
7 Add lines 5e and 6				7	

Itemized Deductions

Interest You Paid <small>Caution: Your mortgage interest deduction may be limited (see instructions).</small>	8 Home mortgage interest and points. If you didn't use all of your home mortgage loan(s) to buy, build, or improve your home, see instructions and check this box <input type="checkbox"/>		
	a Home mortgage interest and points reported to you on Form 1098. See instructions if limited	8a	
	b Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying no., and address ▶ _____	8b	
	c Points not reported to you on Form 1098. See instructions for special rules	8c	
	d Reserved	8d	
	e Add lines 8a through 8c	8e	
9 Investment interest. Attach Form 4952 if required. See instructions	9		
	10 Add lines 8e and 9		10
Gifts to Charity <small>Caution: If you made a gift and got a benefit for it, see instructions.</small>	11 Gifts by cash or check. If you made any gift of \$250 or more, see instructions	11	
	12 Other than by cash or check. If you made any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500.	12	
	13 Carryover from prior year	13	
	14 Add lines 11 through 13		14



Itemized Deductions

Casualty and Theft Losses	15	Casualty and theft loss(es) from a federally declared disaster (other than net qualified disaster losses). Attach Form 4684 and enter the amount from line 18 of that form. See instructions	
Other Itemized Deductions	16	Other—from list in instructions. List type and amount ▶	
Total Itemized Deductions	17	Add the amounts in the far right column for lines 4 through 16. Also, enter this amount on Form 1040 or 1040-SR, line 9	
Deductions	18	If you elect to itemize deductions even though they are less than your standard deduction, check this box <input type="checkbox"/>	



Sally Stewart Review Questions

- What is the allowable amount of Sally's tax deductions on Schedule A?
- Sally is able to itemize her deductions? Y/N



Sally Stewart

Lessons learned

- Exclusion of 10% penalty on IRA withdrawal for medical expenses via Form 5329
- Schedule A - Itemized Deductions
- State and Local Taxes (SALT) deductions, \$10,000 cap
- First Time Homebuyer Credit repayment



Exercise 3A: Bob and Sarah MacDougal

1. Bob and Sarah MacDougal have 2 documents that they forgot to provide you.
2. They now provide a 1099 portfolio investment document where they have sold some stocks.
3. Bob tells you that he has a long term capital loss carryover from last year of \$3500.
4. They also have a 1099-COD from a credit card.



Capital Gains and Losses

- Can pertain to stocks, mutual funds, bonds, sale of a home, etc.
- Cost Basis is the original cost of the asset and may be adjusted for commissions or fees. If clients do not know their cost basis, refer them to their financial advisor
- Holding period: short term is anything held less than one year. Long term is for assets held longer than one year
- Stock sales occur as either covered or non-covered transactions
 - Covered transactions are those for which cost basis is reported to the IRS
 - Non-covered transactions are those whose cost basis has not been reported to the IRS
- Maximum capital loss allowed per year - \$3,000 more than capital gains - remaining loss can be carried forward
- Can get credit for foreign taxes paid

Get manager approval for clients with > 3 stock transactions



MacDougal Review Questions

- How much is the amount of the MacDougal's EIC?
- The MacDougal's capital loss carry forward does not affect their taxable income? T/F



Bob and Sarah MacDougal

Lessons learned

- Schedule D - Capital Gains and Losses
- Capital loss carry forward
- Foreign tax credit
- Cancellation of debt



Exercise 4A: John Thompson

1. John remembers that he has Marketplace insurance and provides you with a Form 1095-A



John Thompson

Lessons learned

- Client with insurance from the Marketplace
- Forms 1095-A, 8962
- Premium Tax Credit





Neighborhood Tax Centers

Volunteer Training

Certification Instructions and Closing Topics



Certification Instructions

- Register at <https://www.linklearncertification.com/d/>
- 3 required certifications taken in this order:
 - Volunteer Standards of Conduct (see Pub 4961)
 - Intake/Interview and Quality Review (see Pub 5101)
 - Advanced Certification
- All certification tests are open book, 80% correct is required to pass with limit of 2 tries per exam
- Answer all test and retest questions on paper first, then transfer answers to online scoring system
- No need to take Basic test to get Advanced certified



First day at the Tax Center

- Start volunteering early in the tax season
- Season typically starts slow, ramping up to full waiting rooms by mid-February
- Sign up for shifts online
- Sign in when you arrive at the Tax Center. Sign out when you leave.
- New volunteers typically given simple returns and may be paired up with experienced volunteer or staff



Miscellaneous Topics

- Amendments & Extensions – see manager
- Royalties & Form K-1 – also see manager
- Always verify if carrying forward client info
- No splitting dependents between spouses
- You can't ignore what you've heard
- HOH – can't have >1 per physical address
- Do not tell client what their refund is until after the quality review is completed



Pre-payment of Tax Liability

- Federal Income Tax Withheld
 - W-2 box 2
 - W-2G
 - 1099
 - Social Security
- Other pre-payments of taxes
 - 1040ES - Estimated taxes



W-2 Withholding & 1040-ES Payments

- Payments TP makes during the tax year to cover tax liability
- W2 withholding rates based on income, TP filing status, and TP dependents.
- 1040-ES are estimated tax payments TP makes during the year to cover tax liability. 1040 ES may be required by IRS.



Miscellaneous Topics

- New: Shared Responsibility Payment has been eliminated – TP's no longer pay a penalty if someone on their return does not have health insurance.
- Refunds can be split between various accounts using IRS Form 8888
- TP's can avoid a balance due by adjusting their FICA – adjusting their W4's and/or TP can use Publication 505 to submit 1040ES to the IRS.



Alimony

Beginning Jan. 1, 2019, alimony or separate maintenance payments are not deductible from the income of the payer spouse, or includable in the income of the receiving spouse, if made under a divorce or separation agreement executed after Dec. 31, 2018.

This also applies to a divorce or separation agreement executed on or before Dec. 31, 2018, and modified after December 31, 2018, as long as the modification:

- changes the terms of the alimony or separate maintenance payments; and
- states that the alimony or separate maintenance payments are not deductible by the payer spouse or includable in the income of the receiving spouse.

On the other hand, generally alimony or separate maintenance payments are deductible from the income of the payer spouse and includable in the income of the receiving spouse, if made under a divorce or separation agreement executed on or before Dec. 31, 2018, even if the agreement was modified after December 31, 2018, so long as the modification is not one described in the preceding paragraph.



Miscellaneous

- Form 8332: Release/Revocation of Release of Claim to Exemption for Child by Custodial Parent
 - Form allows the non-custodial parent of a dependent to claim the CTC, ACTC or the ODC for child(ren) of divorced couples
 - Form is filed by the custodial parent.
 - The custodial parent can file as HOH and can claim Dependent Care Credits, Education Credits, and Earned Income Credits.
- Who must/should file:
 - There is no reason for a TP not to file a return if they want to file, but don't try to talk a client into filing if they don't want to
 - TP should file a return if they had any FICA withheld or they appear to qualify for any refundable credits
 - There is no minimum income that 'disqualifies' a TP from filing a return.



Tax Abbreviations

TP	Taxpayer
MFJ	Married Filing Jointly
MFS	Married Filing Separately
HOH	Head of Household
EIC/EITC	Earned Income Tax Credit
AOC	American Opportunity Credit
EIN	Employee Identification Number
ITIN	Individual Taxpayer Identification Number
CTC	Child Tax Credit
ACTC	Additional Child Tax Credit
IP PIN	Identity Protection Personal ID Number
AGI	Adjusted Gross Income
PTC	Premium Tax Credit
APTC	Advanced Premium Tax Credit

