

LIVE UNITED®



UNITED WE THRIVE

VITA Volunteer Training Session - Part B

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of Greater Cincinnati

Welcome!

I'm Mónica Ibarra, the lead presenter. I have been with the VITA program since 2001 either as a volunteer or Site Coordinator.

Assisting me are **Mary Lepper, Keith Gehring, Charles Lewis and Kathy Lavieri**, all with many years volunteering in our program.

Matthew Long, Senior Program Manager and Adrienne Brandicourt, FTP Associate; United Way Free Tax Prep contacts.

We encourage you to take notes, especially marking up or highlighting your 4012s. Get your copy out and ready.

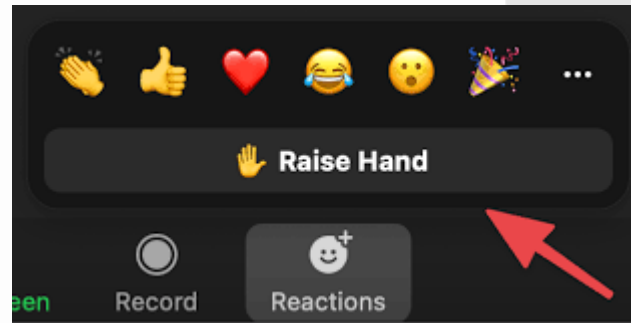
A copy of the slides will be posted on UWGC.org some time next week. A recording of the presentation will be up also.

We're scheduled to go until about 1 pm with a break at about 10:30.



Zoom Etiquette

- Please turn on your video but mute your microphone or phone
- It's okay to ask questions directly not just via Chat – you can raise your hand using the

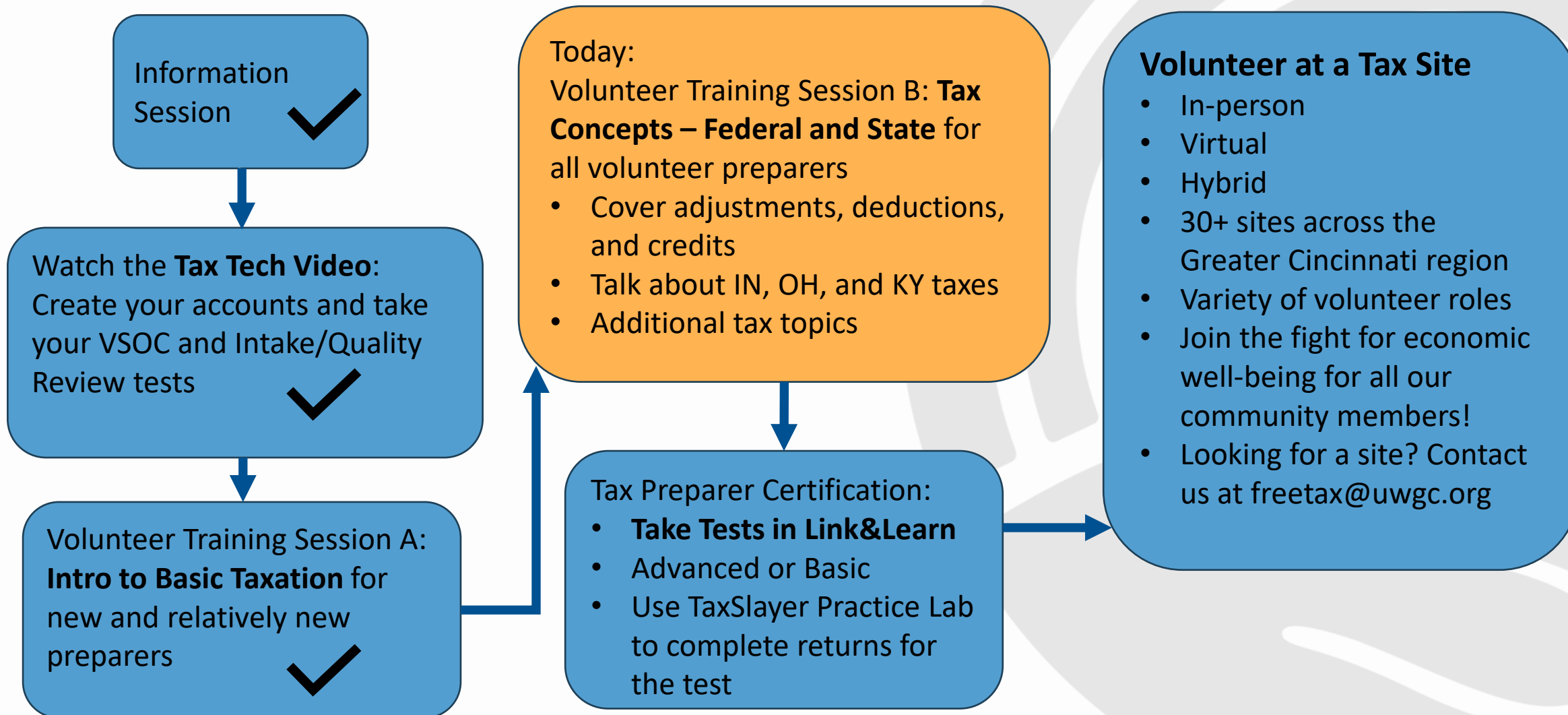


- Please change your Zoom name to the name you used to register for this class

During this session:

- Have the [4012 Resource Guide](#) ready to access
- If you lose your Zoom connection, just log back in

Continuing Along the Volunteer Pathway



Today's Agenda

- First half – Basic tax law
- Break
- Second half – What's new for 2023, a few more complex items that we only seldom see, but need to know how to do

Basic Tax Law

Let's get started!



Out of Scope

- Business
 - Losses
 - Depreciable assets
 - Inventory
 - Home Office
- Rent and farm income
- Crypto currency transactions/income of any kind
- Foreign student returns (Requires special certification)
- Student loan debt cancellation before 2021
- Cancellation of Debt - insolvency
- Foreign income, including retirement

MFJ v. MFS

No MFJ/MFS comparison tool

Possible solution: Injured spouse allocation [Form 8379](#)

Negatives if filing Married Filing Separate (B-15)

- If one spouse itemizes, both must (F-1)
- Tax rate can be higher (for income more than \$11,000 in 2023)
- 85% of Social Security is taxable *(If lived with spouse at any time in 2023)
- Credits that cannot be claimed if file MFS
 - EIC (maybe) (No- I-3; Yes I-2, footnote 4)
 - Child and Dependent Care Credit (G-10)
 - Premium Tax Credit; APTC must be repaid (H-10)
 - Student Loan Interest Deduction (E-11)
 - Education Credits (J-7)
 - American Opportunity
 - Lifetime Learning

DEPENDENTS

4012: C-3

Qualifying Child

Relationship	Generally, child or sibling or a descendant of child or sibling
Age	Under 19, Under 24 and FT student, any age and permanently and totally disabled
Residency	Lived with taxpayer for more than ½ of the year
Support	Must not have provided more than ½ of their own support for the year

Someone who files a joint return cannot be a dependent on another return.

Qualifying Relative

Relationship	Not your <i>Qualifying Child</i> or the <i>Qualifying Child</i> of anyone else
Residency	If Relative , does not have to live with you. If non-Relative , must have lived with you all year.
Support	QR has a gross income less than \$4,700 for the year AND the taxpayer provided more than ½ of the support for the QR for the year.



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Poll Question 1

Who is a dependent?



Income

Income

Wages
Unemployment
Social Security
Railroad Retirement
Retirement
Capital Gain
Interest
Dividends
Self Employment

Form

W-2
1099-G
SSA-1099
RRB-1099-R
1099-R
1099-B
1099-INT
1099-DIV
1099-NEC, 1099-K,
1099-MISC



Self-Employment Income 1099-NEC

4012: D-22

<input type="checkbox"/> CORRECTED (if checked)		OMB No. 1545-0116		2022 Form 1099-NEC	Nonemployee Compensation
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. DELICIOUS DELIVERIES 123 LILAC AVENUE YOUR CITY, YOUR STATE, ZIP					
PAYER'S TIN 63-400XXXX	RECIPIENT'S TIN 605-00-XXXX	1 Nonemployee compensation \$ 1,000		Copy B For Recipient <small>This is important tax information and is being furnished to the IRS. 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.</small>	
RECIPIENT'S name JOANNE OAK		2 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input type="checkbox"/>			
Street address (including apt. no.) 159 ARCHER AVENUE		3			
City or town, state or province, country, and ZIP or foreign postal code YOUR CITY, YOUR STATE, ZIP		4 Federal income tax withheld \$			
Account number (see instructions)		5 State tax withheld \$	6 State/Payer's state no.	7 State income \$	
		\$		\$	
Form 1099-NEC (keep for your records)		www.irs.gov/Form1099NEC		Department of the Treasury - Internal Revenue Service	

Self-Employment Income 1099-K

4012: D-24

CORRECTED (if checked)

FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. Delicious Deliveries 123 LILAC AVENUE YOUR CITY, YOUR STATE, ZIP		FILER'S TIN 63-400XXXX	OMB No. 1545-2205 2022 Form 1099-K	Payment Card and Third Party Network Transactions	
		PAYEE'S TIN 605-00-XXXX			
Check to indicate if FILER is a (an): Payment settlement entity (PSE) <input type="checkbox"/> Electronic Payment Facilitator (EPF)/Other third party <input checked="" type="checkbox"/>		Check to indicate transactions reported are: Payment card <input type="checkbox"/> Third party network <input checked="" type="checkbox"/>		Copy B For Payee This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if taxable income results from this transaction and the IRS determines that it has not been reported.	
		1a Gross amount of payment card/third party network transactions \$ 7,492.00	2 Merchant category code \$		3 Number of payment transactions 325
PAYEE'S name JOANNE OAK Street address (including apt. no.) 159 ARCHER AVENUE City or town, state or province, country, and ZIP or foreign postal code YOUR CITY, YOUR STATE, ZIP		5a January \$ 785.00	5b February \$ 800.00		
		5c March \$ 700.00	5d April \$ 600.00		
5e May \$ 550.00	5f June \$ 400.00				
5g July \$ 500.00	5h August \$ 378.00				
5i September \$ 700.00	5j October \$ 800.00				
5k November \$ 600.00	5l December \$ 679.00				
PSE'S name and telephone number		6 State	7 State identification no.		8 State income tax withheld \$
Account number (see instructions)					\$

Form **1099-K** (Keep for your records) www.irs.gov/Form1099K Department of the Treasury - Internal Revenue Service



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Self-Employment Income 1099-Misc

4012: D-67

9595 VOID CORRECTED

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 Form 1099-MISC (Rev. January 2022) For calendar year 20__		Miscellaneous Information Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the current General Instructions for Certain Information Returns.
		2 Royalties \$			
		3 Other income \$	4 Federal income tax withheld \$		
PAYER'S TIN	RECIPIENT'S TIN	5 Fishing boat proceeds \$	6 Medical and health care payments \$		
RECIPIENT'S name		7 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input type="checkbox"/>	8 Substitute payments in lieu of dividends or interest \$		
Street address (including apt. no.)		9 Crop insurance proceeds \$	10 Gross proceeds paid to an attorney \$		
City or town, state or province, country, and ZIP or foreign postal code		11 Fish purchased for resale \$	12 Section 409A deferrals \$		
	13 FATCA filing requirement <input type="checkbox"/>	14 Excess golden parachute payments \$	15 Nonqualified deferred compensation \$		
Account number (see instructions)	2nd TIN not. <input type="checkbox"/>	16 State tax withheld \$	17 State/Payer's state no.	18 State income \$	
		\$		\$	

Education Credits

4012: J-8

Most common:

American Opportunity Credit –Partially Refundable (up to 40% may be refundable, the rest is not refundable)

- Available only if student has not completed the first four years of post-secondary education before 2023
- Available only for four tax years per eligible student
- Must be seeking a degree or other recognized education credential
- Enrolled at least ½ time
- Not available if have felony conviction for possession or distribution of controlled substance
- Don't have to have income to get this credit
- Up to \$2500 per student (\$1000 per student refundable)

Lifetime Learning – Non-refundable

- Available for unlimited number of tax years
- Do not need to be pursuing a degree
- Courses are to acquire or improve job skills
- Up to \$2000 per return

Kiddie Tax – When scholarships/grants become income to the student.



1098-T

<input type="checkbox"/> CORRECTED (if checked)					
FILER'S name Street address City or town, state or province, country, ZIP or Foreign Postal Code Telephone number OAKLAND UNIVERSITY 677 OAKLAND BLVD COLUMBUS OH 43216		1 Payments received for qualified tuition and related expenses \$12,900.00	2	OMB No. 1545-1574 2020 Form 1098-T	Tuition Statement
FILER'S employer identification no. 10-8XXXXXX	STUDENT'S TIN 224-00-XXXX	3 If this box is checked, your educational institution has changed its reporting method for 2020. <input type="checkbox"/>			
STUDENT'S name Street address (including apt. no.) City or town, state or province, country, ZIP or Foreign Postal Code COREY EMERSON 200 AMBER PLACE YOUR CITRY, STATE, ZIP		4 Adjustments made for a prior year	5 Scholarships or grants \$10,000.00	Copy B For Student This is important tax information and is being furnished to the IRS. This form must be used to complete Form 8863 to claim education credits. Give it to the tax preparer or use it to prepare the tax return.	
Service Provider/Acct No. (see instr.)	8. Checked if at least half-time student <input checked="" type="checkbox"/>	6 Adjustments to scholarships or grants for a prior year	7 Checked if the amount in box 1 or 2 includes amounts for an academic period beginning January-March 2021. <input type="checkbox"/>		
		9 Checked if a graduate student <input type="checkbox"/>	10 Ins. contract reimb./refund		
Form 1098-T					

Box 1 – Payments Received

Box 5 – Scholarship or Grants

Box 8 – Whether more than Half-Time Student

\$2900 can be used for qualified expenses
American Opportunity Credit may be available

Health Savings Accounts (HSAs)

4012: E-14

- HSA Qualified medical expenses
 - All Schedule A allowed medical expenses (4012-F-6)
 - Menstrual care products
 - Over-the-counter products and medications
- Must be paid via the HSA account (see [Form 1099-SA](#) for HSA payments)



HSA Contribution

<input type="checkbox"/> CORRECTED (if checked)		OMB No. 1545-1518		HSA, Archer MSA, or Medicare Advantage MSA Information
TRUSTEE'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number BANK OF HSA 35 OAKLANE YC, YS YZIP		1 Employee or self-employed person's Archer MSA contributions made in 2020 and 2021 for 2020 \$	2020 Form 5498-SA	
TRUSTEE'S TIN 32-5XXXXXX		2 Total contributions made in 2020 \$ 5,100.00		Copy B For Participant This information is being furnished to the IRS.
PARTICIPANT'S TIN 445-00-XXXX		3 Total HSA or Archer MSA contributions made in 2021 for 2020 \$		
PARTICIPANT'S name ANDREW WRIGHT		4 Rollover contributions \$	5 Fair market value of HSA, Archer MSA, or MA MSA \$ 14,456.39	
Street address (including apt. no.) 516 WINGATE RD		6 HSA <input checked="" type="checkbox"/> Archer MSA <input type="checkbox"/> MA MSA <input type="checkbox"/>		
City or town, state or province, country, and ZIP or foreign postal code YC, YS YZIP		Account number (see instructions)		
Form 5498-SA		(keep for your records)		
www.irs.gov/Form5498SA		Department of the Treasury - Internal Revenue Service		

HSA Distribution

CORRECTED (if checked)

TRUSTEE'S/PAYER'S name Street address City or town, state or province, country, ZIP or foreign postal code Telephone no. HSA TRUSTEE 59 WELLNESS ROAD INDEPENDENCE, MO 64145		OMB No. 1545-1517 <h1>2020</h1> Form 1099-SA		Distributions From an HSA, Archer MSA, or Medicare Advantage MSA
PAYER'S TIN 10-3XXXXXX	RECIPIENT'S TIN 301-XX-XXXX	1 Gross Distribution \$1,850.00	2 Earnings on excess cont.	
RECIPIENT'S name Street address (including apt.no.) City or town, state or province, country, ZIP or foreign postal GAIL OLIVER 2715 BISHOP ST YC YS YZIP		3 Distribution Code 5 HSA <input checked="" type="checkbox"/> Archer MSA <input type="checkbox"/> MA MSA <input type="checkbox"/>	4 FMV on date of death	Copy B For Recipient This information is being furnished to the IRS.
Account number (see instructions)				
Form 1099-SA				



Poll Question 2

HSA Qualifying medical
expenses



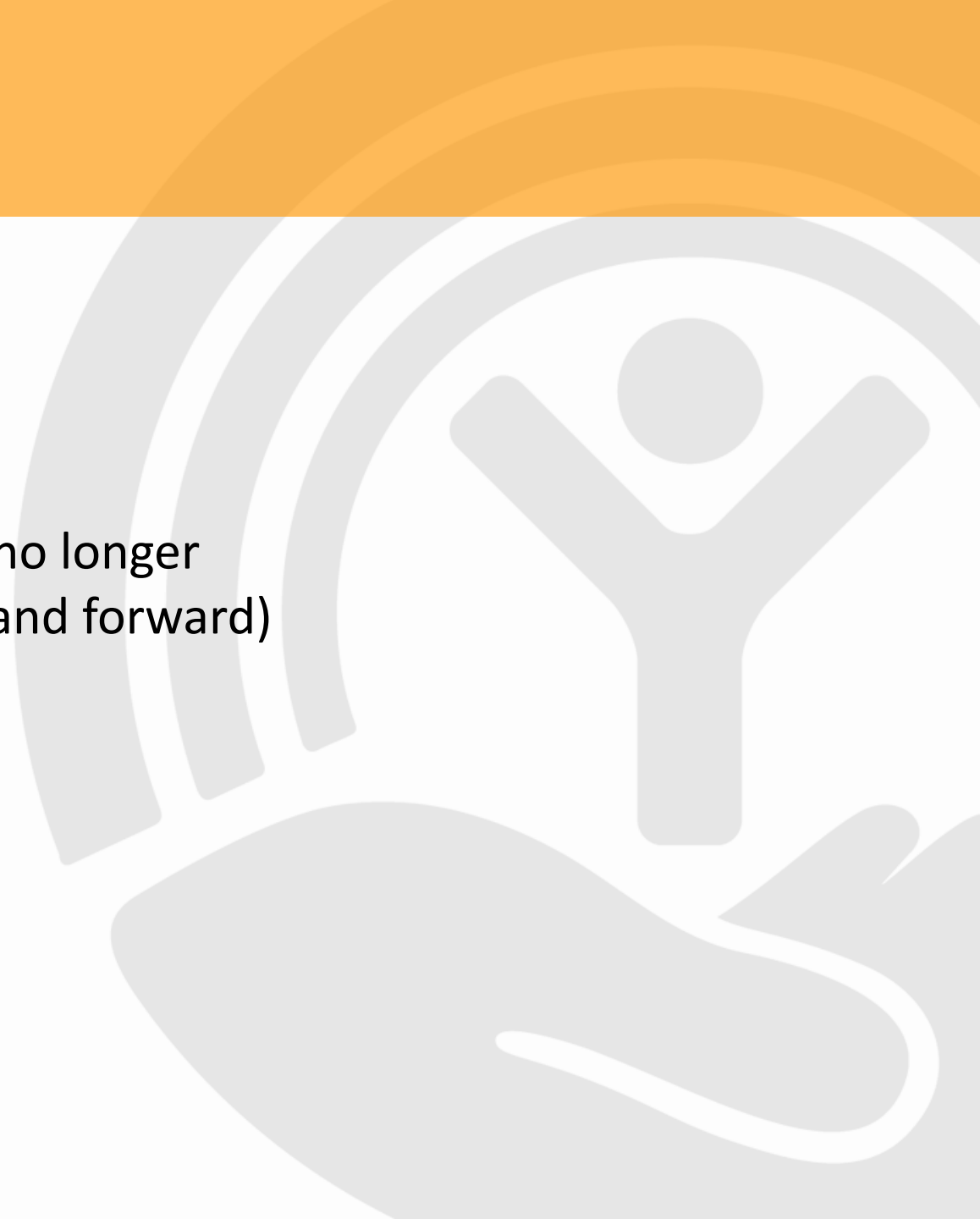
Time for a **BREAK**



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What has expired for 2023?

- **Expired provisions**
 - Private Mortgage Insurance Premiums no longer deductible as mortgage interest (2022 and forward)



What's new for 2023

- Temporary Provisions Still in Effect
 - Student loan forgiveness (2021-2025)
 - Premium Tax Credit
- Standard Deductions
- Mileage rates
- Business meals (Schedule C)
- Residential Energy Credits – Now a permanent credit



Refundable v. Non-Refundable Credits

Refundable	Non-Refundable
<ul style="list-style-type: none">• Earned Income Credit – completely refundable• Child Tax Credit – partially refundable• American Opportunity Credit – 40% refundable	<ul style="list-style-type: none">• Child Tax Credit• Child/Dependent Care Credit• Residential Energy Credit• Lifetime Learning Credit.• Retirement Savings Credit

Doing a prior year return? Check that you are applying for all applicable credits.

Non-Refundable vs Refundable Credits Examples

Non-Refundable Credit

Description	The Math
Taxable Income	\$40,000
Tax	\$2,700
Child Tax Credit	\$2,000
Total Tax	\$700
W2 Taxes Paid	\$2,000
Child Tax Credit	\$0
Refund	\$1,300

Refundable Credit

Description	The Math
Taxable Income	\$0
Tax	\$0
Child Tax Credit	\$0
Total Tax	\$0
W2 Taxes Paid	\$2,000
Child Tax Credit	\$1,600
Refund	\$3,600

Non-Refundable & Refundable Credit

Description	The Math
Taxable Income	\$15,000
Tax	\$1,500
Child Tax Credit	\$1,500
Total Tax	\$0
W2 Taxes Paid	\$2,000
Child Tax Credit	\$500
Refund	\$2,500

Child Tax Credit: the rules

4012: pg. G-4

1. Child must be a “Qualifying Child” dependent
 - Age: 0 – 16 (Was not 17 by the end of the tax year)
 - Related – Blood kin, adopted, court ordered custody
 - Residency – lived with you > 6 months
 - Except for newborns/death of child
 - Support – Child must not have provided more than ½ of their support (See p.C-3 in 4012 regarding public benefits)
 - US Citizen or resident alien with SSN (Children who hold SS Cards that say “Not Valid for Work” do not qualify for the credit)
 - Children with ITINs get the “Credit for other dependents”
 - Parents can have either SSN or ITIN
2. Child must be claimed on your 2023 return
 - Caution with divorced households with a child that alternates between parents in odd/even years

Child Tax Credit/Additional Child Tax Credit: the numbers

4012: pg.G-4,5

1. Amount is the same for any child under 17 at the end of the tax year
 - Up to \$2000, non-refundable (to pay taxes)
 - Up to \$1600, refundable
2. Child must be claimed on your 2023 return
 - Caution with divorced households with a child that alternates between parents in odd/even years

Doing a prior year return? Check with the Site Coordinator or an experienced volunteer.



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Earned Income Taxpayer Credit

4012: Sec. I

- The Earned Income Taxpayer Credit (EITC) is an assistance from the government for low-income, wage earners.
- It is available to people both with and without children.
- The credit is refundable and available only by filing a tax return.
- Doing a 2020 or 2021 return? Get an experienced preparer to help you out.

EITC Requirements

4012: pg. 1-4

- SSN/ITIN - No payments are made for an individual with an ITIN, it must be a SSN.
- If filing MFJ, both TP and SP must have SSN to claim EITC.
- Check SS Card
 - “Valid for Work Only” – Qualifies for EITC
 - “Not Valid for Work” – Does not qualify for EITC
- No Support Test



EITC with no children

4012: pg. I-5,7

	2023
Age	25-64
Maximum income	\$17,640 (\$24,210 MFJ)
Maximum credit	\$600

***Can not be a dependent.**

EITC when filing MFS: TaxSlayer entry

In Basic Information -> Personal Information for the Taxpayer. Check the appropriate box.

- Taxpayer can be claimed as a dependent on someone else's return.
- Taxpayer was over age 18 and a full-time student at an eligible educational institution.
- Taxpayer is blind.
- Taxpayer is deceased.
- Taxpayer wishes to contribute \$3 to the Presidential Election Campaign Fund.
- Filing Married Filing Separate and meets the requirements to claim the EIC
- Taxpayer or Spouse served in a combat zone during the current tax year.
- Taxpayer was a nonresident alien for any part of the year.

EITC when filing MFS

4012: pg. 1-5

- For years, we've been taught that a taxpayer can't receive the EITC when filing MFS.
- Now, it is allowed if:
 - filing MFS, **and**
 - the taxpayer's child lived with them more than 6 months, **and**
 - The taxpayer lived apart from their spouse the last 6 months of 2023
- The taxpayer can self-declare that they qualify

Example:

- Mom (27) and daughter (3) moved in with Grandma in April 2023.
- Mom is still married, not divorced (they're still trying to work it out).
- Mom has income of \$32,000 (so not Grandma's dependent).
- Grandma owns and pays for the house (so Mom can't be Head of Household).
- Mom claims daughter on her return, files as MFS, and now can claim EIC.

Child (and dependent) Care Credit

4012: pg. G-12

The basic rules stay the same:

- Child must be a dependent
- Child qualifies until 13th birthday. If child turns 13 during the tax year, can claim expenses until the child's 13th birthday
- Child must live with TP > 6 months
- Only custodial parent may claim, even if not their year to claim dependency
- TP (and SP) must be working or looking for work
- Expenses for kindergarten or higher do not qualify
- Summer Day camp qualifies, but overnight does not

NOTE: This credit also applies to older persons who are incapable of self-care. BUT,...



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Child (and dependent) Care Credit

4012: pg. G-12

	2022	2023
<u>Can claim expenses up to:</u>		
For one child	\$3,000	\$3,000
For two or more children	\$6,000	\$6,000
Maximum credit %	35%	35%
<u>Maximum credit</u>		
For one child	\$1,050	\$1,050
For two or more children	\$2,100	\$2,100
% reduction begins at	\$15,000	\$15,000
Type of credit	Non-refundable	Non-refundable

Residential Energy Credit

4012: pg. G-20

- Temporary Provision, extended through 12/31/2032
- Part I – Residential Clean Energy Credit - OOS
- Part II – Energy Efficient Home Improvement
 1. Building Materials - Exterior Doors, windows, insulation
 2. Residential Energy Property – a/c, heaters, furnaces, boilers
 3. Heat Pumps, biomass stoves and boilers
 4. Home Energy Audits (30% of cost, up to \$150)
- Generally, 30% of costs, labor may or may not be included, with limits as to costs. Improvements must be put into service during the tax year.
- \$1200 limit for #1-3
- \$2000 yearly limit for #4
- No lifetime limit
- Check the 4012 for details to use this credit.



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New Numbers – Standard Deduction

4012: pg. F-3

The standard deduction amounts have increased, as has the gross income test for a qualifying relative.

Standard Deduction	2022	2023
Single/MFS	\$12,950	\$13,850
MFJ/Qualifying Widow(er)	\$25,900	\$27,700
Head of Household	\$19,400	\$20,800
Additional Standard Deduction for over 65 – Single/HoH	\$1,750	\$1,850
Additional Standard Deduction for over 65 - MFJ/QW	\$1,400	\$1,500
Gross Income Test	\$4,400	\$4,700

Mileage Rates

4012: pg. F-9 (Medical)
D-31 (Self-Employment)
F-14 (Charity)

Beginning on January 1, 2023, the standard mileage rates for the use of an automobile (car, van, pickup or panel trucks) are:

Mileage Rate	2022	2023
Business	58.5/62.5 cents	65.5 cents
Medical/moving	18/22 cents*	22 cents*
Charitable	14 cents*	14 cents*

* Must itemize on Schedule A to claim.



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Poll Question 3

Day Care Expenses



Schedule C

4012: D-26-28

Sites/Site coordinators will have access to this form. Sites should be using this form to confirm the Schedule C is in scope.

ARE YOU (AND/OR YOUR SPOUSE) SELF-EMPLOYED?

PLEASE CHECK ALL THE BOXES THAT APPLY!

<input type="checkbox"/>	I paid employees or other individuals.	<input type="checkbox"/>	I want to deduct a home office.
<input type="checkbox"/>	I had more than \$35,000 in business expenses.	<input type="checkbox"/>	I have a business loss.
<input type="checkbox"/>	I keep an inventory of products for sale.	<input type="checkbox"/>	I don't use a cash method of accounting.
<input type="checkbox"/>	I have assets to depreciate (Items that last more than one year and that cost more than \$2,500).	<input type="checkbox"/>	I was paid with crypto currency

If you checked any of the boxes above, please speak with one of the Greeters, your return may be **OUT OF SCOPE FOR THE SITE**. If you did not check any of the boxes above, continue by completing the worksheet below for the business – ONE SHEET PER BUSINESS.

INCOME – COMPLETE AND GIVE US ALL DOCUMENTS		BUSINESS CODE OR TYPE OF BUSINESS	
Forms 1099 (NEC, MISC, K)	Enclose in envelope	CODE: _____	
Amount of cash, checks, etc. including tips your received	\$ _____	TYPE (Brief Description):	
BUSINESS EXPENSES – PUT AMOUNTS IN BOX			
Advertising	\$ _____	Licenses or Fees	\$ _____
Commissions and fees	\$ _____	Legal or Professional Fees	\$ _____
Health insurance premiums	\$ _____	Business portion of Phone Expenses	\$ _____
Business Insurance	\$ _____	Business portion of internet	\$ _____
Interest on business Loans	\$ _____	Training expenses for business	\$ _____
Office expense/supplies (ex. stamps, paper, printer, ink)	\$ _____	Tools, etc. under \$2,500 each	\$ _____
Rent (not home office)	\$ _____	Travel away from home expenses	\$ _____
Supplies other than office (paint, water for customers, etc.)	\$ _____	Other (specify):	\$ _____

BUSINESS USE OF CAR OR TRUCK	
Total mileage for year	_____
Business miles	_____
Commuting miles	_____
Other miles	_____
Vehicle (YR, Make)	_____
Date vehicle placed in <u>business</u> service	_____

CAR OR TRUCK EXPENSES	
Parking, tolls	\$ _____
Business portion of car loan interest	\$ _____
Other (specify)	\$ _____

Drivers – be sure you enclose:

- All forms 1099 AND the detail provided by the company (DOOR DASH, LYFT, Postmates, Uber, etc.) – you need to download and print the detail from each company's site.
- Your trip miles AND the between-trip miles (do not include miles from home to first stop nor from last stop to home)



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Schedule C

4012: D-28

Sites/Site coordinators will have access to this form. Sites should be using this form to confirm the Schedule C is in scope.

Schedule C –

Commonly used Business Codes:

- 485300 – Rideshare (Taxi, Limousine & ridesharing service)
- 492000- Door Dash, Instacart, ~~UberEats~~, etc. (Couriers & Messengers)
- 624410 – Child Day Care Services
- 561720 – Janitorial Services

Mileage* (in scope)

- Rideshare/Delivery Service
 - Excluded
 - Home to first pickup
 - Last drop-off to home
 - Any personal errands (such as lunch break)
 - Included
 - Passenger miles (Passenger in the car or on the way to pick up a passenger, between trips)
 - Rideshare related miles (If you drive to the store to pick up car supplies)
- Work from Home (Self-Employment only)
 - Travel from home, all business miles
 - Personal errands are not included

Actual Car and Truck Expenses (Out of scope)

- Actual expenses:
 - Gas
 - Repairs/maintenance
 - Vehicle depreciation
 - License fees
 - Insurance
 - Personal property taxes paid (on vehicle)
 - Roadside assistance plans
 - Lease payments
 - Car washing

Rideshare/Delivery Service Operating Expenses

- Uber/Lyft Fees and Commissions
- Snacks and Refreshments for passengers
- Loan Interest on car payments**
- Cost of Phone Plan**
- Accessories – charges, cables, mounts
- Mileage tracking software
- Parking and tolls
- Other: floor mats, car tool kits, first aid kits, tire inflators, pressure gauges, portable battery jump jacks, flashlights, business taxes and licenses

* Mileage Rate for 2023: \$0.655/mile

**Percentage used for business

Sch C: Business Meals

4012: pg. ??

- When a self-employed person takes a client/supplier/etc. out for a meal, it is considered as a deductible (business) meal. Business was discussed during the meal.
- This does not apply to a self-employed person (e.g. Uber) simply having lunch.
- For 2021 and 2022, for prior year returns, if paid to a restaurant, they were 100% deductible on Schedule C.
- For 2023, if paid to a restaurant, they are 50% deductible on Schedule C



Qualified Business Income Deduction

4012: pg. F-16

- This is a deduction that allows a Qualified Business to deduct up to 20% of their business income in order to reduce their AGI.
- Uber, Lyft, DoorDash businesses qualify for this deduction

Affordable Care Act

4012: pg. H-10

- Most taxpayers with Marketplace insurance are eligible to receive a subsidy.
- They receive a 1095-A which details how much they received and when.
- This subsidy payment needs to be reconciled via the Premium Tax Credit.
- TaxSlayer handles all the calculations.
- Must file MFJ if married and cannot file HoH unless an exception applies.
- Pub 4012 – pgs. H-10 -> H-23.



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1095-A Full Year

4012: H-13

Form 1095-A		Health Insurance Marketplace Statement		OMB No. 1545-0047	
Department of the Treasury Internal Revenue Service		Do not attach to your tax return. Keep for your records. <input type="checkbox"/> VOID Go to www.irs.gov/Form1095A for instructions and the latest information. <input type="checkbox"/> CORRECTED		2020	
Part I Recipient Information					
1 Marketplace Identifier 12-333XXXX		2 Marketplace-assigned policy number 354789		3 Policy issuer's name UNITED HEALTHCARE	
4 Recipient's name ALBERT J MEADOWS		5 Recipient's SSN 302-00-XXXX		6 Recipient's date of birth 01/17/1957	
7 Recipient's spouse's name LOIS C MEADOWS		8 Recipient's spouse's SSN 312-00-XXXX		9 Recipient's spouse's date of birth 03/25/1976	
10 Policy start date 01/01/2020		11 Policy termination date 12/31/2020		12 Street address (including apartment number) 24 NORTH ST	
13 City or town, State or province, Country and ZIP or foreign postal code YC YS YZIP					
Part II Covered Individuals					
A Covered individual name		B Covered individual SSN	C Date of birth	D Coverage start date	E Coverage termination date
14 ALBERT J MEADOWS		302-00-XXXX	01/17/1957	01/01/2020	12/31/2020
17 LOIS C MEADOWS		312-00-XXXX	03/25/1976	01/01/2020	12/31/2020
18 WARREN A MEADOWS		322-00-XXXX	06/21/2003	01/01/2020	12/31/2020
19					
20					
Part III Coverage Information					
Month	A Monthly Enrollment Premium	B Monthly second lowest cost silver plan (SLCSP) premium	C Monthly advance payment of premium tax credit		
21 January	\$763.61	\$978.83	\$600.00		
22 February	\$763.61	\$978.83	\$600.00		
23 March	\$763.61	\$978.83	\$600.00		
24 April	\$763.61	\$978.83	\$600.00		
25 May	\$763.61	\$978.83	\$600.00		
26 June	\$763.61	\$978.83	\$600.00		
27 July	\$763.61	\$978.83	\$600.00		
28 August	\$763.61	\$978.83	\$600.00		
29 September	\$763.61	\$978.83	\$600.00		
30 October	\$763.61	\$978.83	\$600.00		
31 November	\$763.61	\$978.83	\$600.00		
32 December	\$763.61	\$978.83	\$600.00		
33 Annual Totals	\$9,163.32	\$11,745.96	\$7,200.00		

Box 4 and 7 – Recipient and spouse name

Box 10 and 11 – Start and End Date for Insurance

Part II – List of all covered individuals

Line 33, Box A – Total Monthly Enrollment Premiums

Line 33, Box B – Total Lowest Monthly Premiums Silver Plan

Line 33, Box C – Total Monthly Advance Premiums Paid

1095-A Part Year

4012: H-13

Box 4 – Recipient Name

Box 10 and 11 – Start and End Date for Insurance

Part II – List of all covered individuals

Part III – Months Covered by Insurance Plan

Form 1095-A		Health Insurance Marketplace Statement		OMB No. 1545-0047	
Department of the Treasury Internal Revenue Service		<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		2020	
Part I Recipient Information					
1 Marketplace Identifier 12-007XXXX		2 Marketplace-assigned policy number 459834		3 Policy issuer's name METLIFE	
4 Recipient's name ANDREW ALAN KING			5 Recipient's SSN 210-00-XXXX		6 Recipient's date of birth 08/16/1991
7 Recipient's spouse's name			8 Recipient's spouse's SSN		9 Recipient's spouse's date of birth
10 Policy start date 05/01/2020		11 Policy termination date 07/31/2020		12 Street address (including apartment number) PO BOX 7178	
13 City or town, State or province, Country and ZIP or foreign postal code YC, YS YZIP					
Part II Covered Individuals					
A Covered individual name		B Covered individual SSN	C Date of birth	D Coverage start date	E Coverage termination date
16 ANDREW ALAN KING		210-00-XXXX	12 08/23/1991	05/01/2020	07/31/2020
17					
18					
19					
20					
Part III Coverage Information					
Month	A Monthly Enrollment Premiums	B Monthly second lowest cost silver plan (SLSCP) premium		C Monthly advance payment of premium tax credit	
21 January					
22 February					
23 March					
24 April					
25 May	\$287.62	\$367.67		\$200.00	
26 June	\$287.62	\$367.67		\$200.00	
27 July	\$287.62	\$367.67		\$200.00	
28 August	\$287.62	\$367.67		\$200.00	
29 September	\$287.62	\$367.67		\$200.00	
30 October	\$287.62	\$367.67		\$200.00	
31 November	\$287.62	\$367.67		\$200.00	
32 December	\$287.62	\$367.67		\$200.00	
33 Annual Totals	\$2,300.96	\$2,941.36		\$1,600.00	



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1095-A Tax Slayer Screenshot 1

Practice Lab

Form Finder
Enter the form number...

- Basic Information
- Federal Section
- Health Insurance**
- State Section
- Summary/Print
- E-file
- 2021 Amended Return
- Your Office
- Help & Support

changes in monthly amounts?

Yes
 No

Please enter your annual Advance Premium Tax Credit information

Premium Amount (Form 1095-A, line 33A)
\$

Annual Premium Amount of SLCSP (Form 1095-A, line 33E)
\$

Annual Advance Payment of PTC (Form 1095-A, line 33C)
\$

[BACK](#) [CONTINUE](#)

Collapse Menu »

RETURN SUMMARY	
AGI	\$0
Federal	\$0

1095-A Tax Slayer Screenshot 2

Practice Lab

Form Finder

Enter the form number...

- Basic Information
- Federal Section
- Health Insurance**
- State Section
- Summary/Print
- E-file
- 2021 Amended Return

Your Office

Help & Support

changes in monthly amounts?

Yes

No

Please enter your monthly Advance Premium Tax Credit information

Month	Monthly Premium Amount (Form 1095-A, Part III, Column A)	Monthly Premium Amount of SLCS (Form 1095-A, Part III, Column B)	Monthly Advance Payment of PTC (Form 1095-A, Part III, Column C)
January	\$	\$	\$
February	\$	\$	\$
March	\$	\$	\$

Collapse Menu

RETURN SUMMARY

AGI	\$0
Federal	\$0

Poll Question 4

1095-A Question



Capital Gains – Stock sales

4012: pg. D -32

- Taxpayer receives a 1099-B, Proceeds from Broker and Barter Exchange Transactions. Usually part of the brokerage tax statement.
- Sales of stocks, mutual funds and personal residence are in scope.
- **Out of Scope:**
 - Sales of assets other than stocks, mutual funds or personal residence
 - Trade in options, futures or other commodities
 - Any transactions using Bitcoin or other virtual (crypto) currencies
- Refer taxpayer to a tax professional for out-of-scope returns
- Remember to always obtain basis from taxpayer if basis is not on the 1099-B



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Capital Gains 1099-B

4012: D-32

ABC Investments
456 Pima Plaza
Your City, YS, ZIP

2022 TAX REPORTING STATEMENT

JOANNE OAK
159 Archer Avenue
Your City, YS, ZIP
Account No. 111-222
Recipient ID No. 605-00-XXXX
Payer's Fed ID Number: 40-200XXXX

FORM 1099-B* 2022 Proceeds from Broker and Barter Exchange Transactions

Copy B for Recipient OMB NO. 1545-0715

Short-term transactions for which basis is **reported** to the IRS
Report on Form 8949 with Box A checked and/or Schedule D, Part I
(This Label is a Substitute for Boxes 1c & 6)

(IRS Form 1099-B box numbers are shown below in bold type)

8 Description, 1d Stock or Other Symbol, CUSIP	1b Date Acquired	1c Date sold disposed	1a Quantity Sold	1d Proceeds	1e Cost or Other Basis	Gain / Loss (-)	1g Wash Sale Loss Disallowed	4 Federal Income Tax Withheld	14 State Tax Withheld	16 State Tax Withheld
Iowa Co. Common Stock										
Sale	01/08/2022	10/30/2022	200.000	1,750.00	2,500.00	(750.00)				
TOTALS				1,750.00	2,500.00					

FORM 1099-B* 2022 Proceeds from Broker and Barter Exchange Transactions

Copy B for Recipient OMB NO. 1545-0715

Long-term transactions for which basis is **not reported** to the IRS
Report on Form 8949 with Box E checked and/or Schedule D, Part II
(This Label is a Substitute for Boxes 1c & 6)

(IRS Form 1099-B box numbers are shown below in bold type)

8 Description, 1d Stock or Other Symbol, CUSIP	1b Date Acquired	1c Date sold disposed	1a Quantity Sold	1d Proceeds	1e Cost or Other Basis	Gain / Loss (-)	1g Wash Sale Loss Disallowed	4 Federal Income Tax Withheld	14 State Tax Withheld	16 State Tax Withheld
Iowa Co. Common Stock										
Sale	10/12/2008	11/01/2022	200.000	4,000.00	1,900.00	2,100.00				
TOTALS				4,000.00	1,900.00					

Simplified Method

4012: D-46

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.		Form 1099-R 2020		OMB No. 1545-0119	
Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.		12 FATCA filing requirement <input type="checkbox"/>	13 Date of payment		
Account number (see instructions) [REDACTED]				CORRECTED (if checked) <input type="checkbox"/>	
PAYER'S name, address, ZIP/postal code, country & phone no. Cincinnati Retirement System 801 Plum St., Suite 328 Cincinnati, OH 45202 (513) 352-3227					
PAYER'S TIN 31-6023695			RECIPIENT'S TIN ***-**-****		
RECIPIENT'S name, address, ZIP/postal code & country [REDACTED] Cincinnati, OH 45202					
1 Gross distribution \$ 24324.63	2a Taxable amount \$ [REDACTED]	2b Taxable amount not determined <input checked="" type="checkbox"/> Total distribution <input type="checkbox"/>			
3 Capital gain (included in box 2a) \$	4 Federal income tax withheld \$ 960.00	5 Employee contribs./Desig. Roth contribs./ins. prem. \$ 0.00			
6 Net unrealized appreciation in employer's securities \$	7 Distrib. code(s) 7	IRA/SEP/SIMPLE <input type="checkbox"/>	8 Other \$		
9a Percentage total distrib. %	9b Total employee contributions \$ [REDACTED]	10 Amount allocable to IRR within 5 years \$	11 1st year desig. Roth contrib.		
\$ 276.00		OH-51901567		\$	
14 State tax withheld \$	15 State/Payer's state no.	16 State distribution \$			
17 Local tax withheld \$	18 Name of locality	19 Local distribution \$			
\$				\$	



Simplified Method

What is the purpose of the simplified method? We are trying to figure out what part of the pension/annuity payment is taxable when a former employee made after-tax contributions during their employment.

- Use the Colorado Tax Aid at <https://cotaxaide.org/tools/Annuity%20Calculator.html>.
- Give the Colorado Aid printout to the taxpayer for future year taxes.
- Make a note in TaxSlayer. Sample note: “Age at Annuity Starting Date (55); \$7,083 Total employee Contributions; 1st Year (2000) Exclusion \$79 (4 months); Yearly exclusion \$236; Final year exclusion \$160 (2030).”
- Seek help from your Site Coordinator/experienced volunteer when calculating your first simplified method.

Simplified Method

Table 1 for Line 3 Above

AND your annuity starting date was—

<u>IF the age at annuity starting date was...</u>	<u>BEFORE November 19, 1996, enter on line 3...</u>	<u>AFTER November 18, 1996, enter on line 3...</u>
55 or under	300	360
56–60	260	310
61–65	240	260
66–70	170	210
71 or older	120	160

Table 2 for Line 3 Above

<u>IF the combined ages at annuity starting date were...</u>	<u>THEN enter on line 3...</u>
110 or under	410
111–120	360
121–130	310
131–140	260
141 or older	210

Poll Question 5

Tax Not Determined Question....



1099-R Disability

4012: pg. D-41

- Disability under Employer's Minimum Retirement Age
 - Box 7 is a code 3 AND
 - Taxpayer is under the minimum retirement age
 - Income can be reported as wages for calculation of EIC and other credits
- Must check the Rollover or Disability box to report on form 1040, Line 1, in TaxSlayer
- Separate entry for Ohio to make it not taxable.



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Cancellation of Debt – Credit Card

4012: pg. D - 60

- Taxpayer receives a 1099-C for debt forgiven
- If for a credit card, it is normally fully taxable income and in Scope
- Student Loan debt – in scope for debt discharged from 2021 - 2025
- Several exceptions are **Out of Scope**:
 - Bankruptcy and insolvency
 - Car loans
 - Personal loans
- When fully taxable, easy to enter in TaxSlayer

Cancellation of Debt - Qualified Principal Residence

4012: pg. Ext-3

If Taxpayer(s) qualify, the amount on the 1099-C is NOT included as income:

- Form 1099-C Cancellation of Debt
- Home was never used as a business or rental property
- Debt was not cancelled because Taxpayer was in bankruptcy
- Taxpayer isn't in bankruptcy when they come to site for assistance
- Mortgage was not more than \$750,000 (\$375,000 if MFS)



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All Other Income

4012: pg. D-1 ,56

- Less Common Income – gambling winnings, cancellation of debt, K-1 (Note: Gambling losses are not subtracted from winnings.)
- Alimony (Pre 2018 and post 2018)
- Scholarship income
- Foreign income (retirement) – Out of scope
- State refunds – only include if taxpayer itemized prior year

Prior Year Returns

4012: M9

- Generally, there is a 3-year statute of limitation for Federal refund claims. For the 2024 tax filing season, this would include the 2020, 2021 and 2022 tax years.
- An intake form (Form 13614-C) should be prepared for each tax year.
- Prior year returns should be prepared by experienced volunteers (at least 2 years) if at all possible.



Prior Year Returns (Cont'd)

Temporary Tax Provisions

Tax Provision	Tax Year	
	2020	2021
Recovery Rebate Credit	X (includes 1 st and 2 nd stimulus payments)	X (includes 3 rd stimulus payment)
Charitable Cash Contributions w/o itemized deductions	X (\$300 maximum for all filing statuses, except MFS [\$150])	X (\$300 maximum for all filing statuses, except MFJ [\$600])
2019 Earned Income Look-back for EITC and CTC	X	X
Advance CTC		X (\$1,800 maximum for qualifying child ages 5 or younger and \$1,500 ages 6 to 17)

Amended Returns

4012: M3

- Taxpayers should file Form 1040-X, Amended Return, to correct any errors or omissions on an originally filed/accepted return (e.g., missing Form W-2).
- Secure a copy of the original return before starting: Printout from TS, taxpayer copy or IRS transcript.



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Amended Returns (Cont'd)

Original Return Filed in TaxSlayer by Local Site

- Go to the 20xx Amended Return menu > Original Federal Return Information screen to verify the original return information and make any corrections (incl., payments made with original return and/or after filed).
- Go to Make Corrections for Amended Return screen to make corrections (e.g., input an additional Form W-2); provide written explanation for changes and perform similar steps for state returns if needed.

Amended Returns (Cont'd)

Original Return Not Filed by Local Site

- Input/create an entire return as you would an original return.
- Go to the 20xx Amended Return menu>Original Federal Return Information screen and input amounts from the source of original return information (i.e., return or IRS transcript).
- Similarly, input explanations for changes and, if needed, prepare state amended returns.



Amended Returns (Cont'd)

- Most amended returns (immediate two prior years) can be e-filed if the original return was e-filed. Older years must be filed by paper.
- Starting with the 2021 tax year, direct deposit is available. In the case of an amount due, provide client with the payment voucher since direct debit is not available.

IRS VITA Scope Reminder

- Do not prepare a tax return with any tax issue that is **Out of Scope**.
- If you encounter an issue that is in scope, but you don't understand it or it wasn't covered in your training, **ask** an experienced preparer or site coordinator. If they don't know, **don't do the return**.
- When you can't prepare a return because of an **Out of Scope** or other difficult issue, apologize and advise the taxpayer to find a professional tax preparer. We are not allowed to recommend a specific one.



Resources

- [Pub 4012 – Resource Guide](#)
 - [Pub 4961 – Volunteer Standards of Conduct](#)
 - [Pub 5101 – Intake/Interview & Quality Review](#)
 - [Pub 4491 – Training Guide](#)
- 

Resources

Addenda for more complex items and prior year return guidance at:

- Mobilize:

<https://uwgc.mobilize.io/registrations/groups/29811>

This slide presentation at:

- www.uwgc.org/get-help/free-tax-prep/free-tax-prep-volunteer



IRS Guides and Resources – Hardcopy Pickup

New and returning volunteers can pickup a hardcopy of the 4012 and 6744 (Volunteer Assistor's Test/Retest) from one of the following locations.

- Care Center, 11020 S. Lebanon Rd, Loveland, OH 45140 – Tuesday through Friday 10 am to 6 pm.
- Center for Great Neighborhoods, 321 W. MLK/12th St., Covington, KY 41011 – Monday through Friday 9 am to 5 pm.
- OhioMeansJobs-Butler County, 4631 Dixie Highway, Fairfield, OH 45014 – Monday through Friday 8 am to 4 pm.
- United Way of Greater Cincinnati, 2400 Reading Rd., Cincinnati, OH 45202 – Monday through Friday 8:30 am to 12:00 pm and 1:00 pm to 4:30 pm.

Where can I volunteer?

There are many volunteer options across the region as well as options to volunteer remotely. On the next slide are sites that **need** volunteers.

If these sites don't work for you, email freetax@uwgc.org for additional options.



Where can I volunteer?

Partner Name	Site Name	Site Address	County	State	Primary Contact for Volunteers	Primary Contact Preferred Method (Phone or Email)	Days and Hours of Operation	# of Volunteers requested	Virtual Volunteers	Comments:
United Way of Greater Cincinnati, Free Tax Prep	OhioMeansJobs - Cincinnati/Hamilton County	1916 Central Pkwy, Cincinnati, OH 45214	Hamilton	OH	Charles L.	chaz45237@gmail.com	February 3 - April 15; Saturdays 9 am to 1 pm.	3-4 tax prepares/quality reviewers; 1 greeter.	No	Intake, Preparers, and Quality Reviewers needed.
United Way of Greater Cincinnati, Free Tax Prep	The Healing Center	11345 Century Cir W, Cincinnati, OH 45246	Hamilton	OH	Candy I	larrycandy1977@gmail.com	February 3 - April 15; Thursdays and Saturdays 9 am to 12 pm.	10	No	Intake, Preparers, and Quality Reviewers needed.
United Way of Greater Cincinnati, Free Tax Prep	Clermont County Community Services	3003 Hospital Dr, Batavia, OH 45103	Clermont	OH	Marilyn V.	freetax@uwgc.org	February 1 - April 12; Thursdays and Fridays 10 am to 2 pm.	5	No	Preparers and Quality Reviewers needed.
United Way of Greater Cincinnati, Free Tax Prep	Elder High School - Schaeper Center	4005 Glenway Ave, Cincinnati, OH 45205	Hamilton	OH	Candice H.-M.	freetax@uwgc.org	Feb 3 - April 15; Saturdays 9 am to 1 pm.	5	No	Intake, Preparers, and Quality Reviewers needed.
United Way of Greater Cincinnati, Free Tax Prep	Cincinnati Hamilton County Community Action Agency	1740 Langdon Farm Rd., Cincinnati, OH 45237	Hamilton	OH	Hardrie Diggs	freetax@uwgc.org	February - April; days and times vary	12	No	Preparers and Quality Reviewers needed. Intake volunteers also needed.

The above sites need additional volunteer help but email freetax@uwgc.org if you want to explore other locations. We will also post a list of sites, locations, and contact info on Mobilize.



Really stuck?

- Send a request for assistance to:
 - freetax@uwgc.org
 - Include your name, e-mail, and phone
- We'll have a trainer contact you!



Thank you!

Thank you for taking this training!

**Thanks for being a VITA volunteer
with the United Way of Greater
Cincinnati's Free Tax Prep initiative!**

