

Accounting Aid Society
Site Coordinator Update – January 27, 2024

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Do Not Transmit E-file Returns

DO NOT transmit e-file returns. The main office will transmit all tax returns prepared prior to Monday, January 29, 2024, the official start of the 2024 filing season when the IRS will begin accepting and processing tax returns and when TaxSlayer is scheduled to turn on e-file.

The Quality Reviewer should mark the return as Complete in TaxSlayer if it is ready to be transmitted.

Site Administration

POSTERS

Please make sure that a current Publication 4053, *Your Civil Rights are Protected (Rev. 4-2015)* and Publication 4836, *VITA/TCE Free Tax Programs (Rev. 9-2020)* are posted at your site. If these versions are not in your Site Box, please print them from www.irs.gov. Publication 4053 must be posted at the first point of contact with taxpayers.

NAME TAGS

All staff and volunteers working at a tax site must wear a name tag. Please make sure everyone is wearing a name tag that shows their first name and the first initial of their last name. Name tags are in the Site Boxes.

CHECKING VOLUNTEER IDENTIFICATION

Please remember to verify the identity of new volunteers at your site by checking their photo identification.

INCOME GUIDELINE

The Accounting Aid Society will serve taxpayers with income up to \$64,000 for both individuals and families. Advise screeners and preparers that they should add up all income, both taxable and nontaxable, during the intake/interview process to ensure that a person(s) total income is within our income guideline.

PROTECTING CLIENT INFORMATION and CLIENT PRIVACY

Please do not have clients email you any personal identifiable information (PII) or tax documents. The best method to receive client information is by using the QR code to directly send the information to a ShareFile Folder for the tax site. This process ensures that the information remains encrypted and protected.

Also remember to protect the client's privacy during all steps of the tax return preparation process. Remind volunteers and staff that if they leave their workstation, to please make sure the computer screen has been minimized so that taxpayer information is not showing and make sure that the client is in possession of their tax documents and PII. Do not leave the client's printed tax return at the printer for a lengthy time. Be sure that you have all pages of your client's tax return from the printer and that it does not include any pages from another person's return. Be mindful when speaking with clients so that others may not overhear.

CHROMEBOOK LOGINS

Please refrain from logging into personal information on the Chromebooks. The logins are synced together to allow for better management and security. Your information may be viewable by others at your site.

Accounting Aid Society's Resources Page

A reminder about the many reference materials and resources available on our Resources page at <https://www.accountingaidresources.org>, useful for site operation and the tax preparation process, including the required federal referenced materials, IRS Publications 17 and 4012.

In addition to the federal reference materials, there are Michigan and city instructions, the Site Manual, Site Coordinator Updates, alerts from the IRS (Quality Site Requirement Alerts (QSRAs) and Volunteer Tax Alerts (VTAs)), and more.

Please familiarize yourself with the information available on the page and share with your staff and volunteers.

Michigan Income Tax Return

MICHIGAN EITC AND "RETIREMENT TAX" ROLLBACK

A reminder about Michigan returns claiming the expanded Michigan EITC (from 6% to 30% of the federal EITC) and/or a retirement and pension benefits subtraction: The Lowering MI Costs Plan (Public Act 4 of 2023) becomes effective February 13, 2024. Please be sure to share the following information with your clients.

- **2022** – For taxpayers who filed a 2022 Michigan tax return claiming the Michigan EITC:
 - On February 13, Michigan Department of Treasury will begin issuing supplemental check payments for the remaining 24% of the credit over a 5-to-6-week period.
 - Payments will be sent to the most recent address on file with Treasury.
 - If taxpayers have moved since filing their 2022 tax return, they should visit [IIT eService \(www.etreas.michigan.gov/iit/home\)](https://www.etreas.michigan.gov/iit/home) to update their address or to check the address on file. (This can be done as a guest; an account does not have to be created.) Or they can visit [how to change your address with Treasury](#) for more information.
 - Taxpayers should have their most recent tax return with them when checking/changing their address as they will need Social Security number, primary filer's last name, tax year, adjusted gross income or total household resources, and filing status.
 - February 1, 2024, is the cutoff date for changes to mailing address for 2022 Michigan EITC supplemental payments.

- **2023** – For taxpayers filing a 2023 Michigan tax return *before February 13, 2024*, and claiming the Michigan EITC and/or retirement and pension benefits subtraction:
 - Their returns will be e-filed (beginning on Monday, January 29) and Treasury will process returns as they are received and prepare them for release as soon as the law takes effect on February 13.

HOMESTEAD PROPERTY TAX CREDIT

VACANT LOTS

The instructions for the homestead property tax credit have been updated and now include a statement that “property that is adjacent and contiguous to the homestead and classified as residential” should not be included in the property taxes eligible for credit. Although not clearly communicated in the past, Michigan Department of Treasury says this has always been their position for the above-described unoccupied property. It is consistent with the Michigan Income Tax Act.

Although our practice in prior years has been to include the taxes levied on vacant lots adjacent to the homestead in taxes claimed for the Homestead Property Tax Credit Claim, going forward please inform clients that:

- The only property taxes that can be claimed are those levied on the homestead.
- Do not include taxes for vacant lots adjacent to the home (even if claimed in prior years).
- Reference *Property Taxes Eligible for Credit* beginning on page 26 of the 2023 MI-1040 Instructions book.

It appears the only taxes eligible for credit on unoccupied property that is adjacent and contiguous to the homestead is certain agricultural land.

SUBSIDIZED HOUSING

Reminder: If the taxpayer’s rent is subsidized, be sure to enter the rent in Part 3: Complete if you are an Occupant of a Housing Facility on TaxSlayer’s Homestead Property Tax Credit Claim page. The rent information will then be properly reported in Part 5, Alternate Housing Facilities, on page 3 of Form MI-1040CR.

MICHIGAN SERVICE FEE HOUSING AND EXEMPT HOUSING LISTS

Michigan Department of Treasury has updated their lists for Service Fee Housing and Tax-Exempt Housing as of 01/26/2024. The service fee housing addresses currently on file with Treasury and included on the list are those provided to them by the municipalities. Both lists should be referenced often when preparing Homestead Property Tax Credit Claims for renters.

The lists in PDF format will be posted to our Resources page by Saturday, January 27. An Excel file of the lists can be found at www.michigan.gov/taxes. Click on the Tax Professionals tab, and then on Service Fee and Tax Exempt Housing. Note that Treasury’s Excel file has two workbooks, one for each list. Here is the direct link to the page: <https://www.michigan.gov/taxes/professionals/tax-exempt-housing> .

If the client’s address is on the service fee housing list, the Homestead Property Tax Credit Claim should be filed accordingly. If the address is on the tax-exempt housing list, a claim should not be filed for the months lived in exempt housing.

If a taxpayer questions a listing, we recommend that they contact the Assessor's office for their city/township for clarification. They could also contact the property manager or building owner, but very often the property management office does not know the property tax status of the building. It is ultimately the filer's responsibility to find out for certain the property tax status – property taxes were levied, a service fee was paid instead of property taxes, or the property was exempt from paying property taxes.

2023 MILLAGE RATES

A listing of the 2023 Michigan property tax millage rates has been posted to Michigan Department of Treasury's web site. The summer and winter property tax bills should be used to determine taxes levied for the year, but the listing can be an alternate source for determining property taxes levied for the year in certain situations. The homeowner must provide proof of the taxable value and the percentage of Principal Residence Exemption (PRE). You can access the 2023 list through a link on our Resources page or visit www.michigan.gov/taxes and click on the Property Taxes tab. Scroll down to select Estimate Your Property Taxes/Millage Rate Information.

HOME HEATING CREDIT

The percentage of federal home heating assistance funds available for 2023 is significantly less than what it was for 2022. The percentage, shown on line 47 of Form MI-1040CR-7, is 56% for 2023 vs 90% for 2022. If a client questions why their home heating credit is lower than last year's credit, the lower percentage will be a significant factor in addition to any changes in total household resources and/or exemptions or heating costs claimed.

TaxSlayer

\$1 AGI RETURNS

To be consistent with the instructions in Publication 4012 (page A-6), please use the description, IN ORDER TO E-FILE, when entering \$1 as Other Income.

PRINTING THE TAX RETURN

When printing the tax return for the client, please select the custom print sets that Accounting Aid Society has created in TaxSlayer:

- AAS (For E-File Returns) FEDERAL & STATE RETURNS – Use for both e-file and paper returns.
- AAS MI COMMON FORM for MAILING – If taxpayer is filing the Michigan Common Form, MI CF-1040, also print the AAS MI COMMON FORM for MAILING print set. This print set will provide the taxpayer with all pages of the Common Form and any federal forms or schedules that need to be attached to the city return for mailing.