

Accounting Aid Society
Site Coordinator Update – February 22, 2025

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Income Guideline

Please remind all staff and volunteers of Accounting Aid Society’s income guideline. We serve clients with income up to \$67,000; this is total income, not AGI. Include the amounts on all information documents (i.e., 1099-R, 1099-MISC, 1099-B, 1099-NEC, 1099-K) without consideration of any adjustments.

When the intake/interview is done, and before starting the return in TaxSlayer, the preparer should add up the taxable and nontaxable income. If it is above \$67,000, they should let the site coordinator know. The site coordinator must contact Maysaa Rahal to get approval for preparing any return that is above our income ceiling.

Proper Completion of Form 13614-C

In some of our internal site reviews, we are seeing instances of incomplete Forms 13614-C, Intake/Interview and Quality Review Sheet.

- The gray sections on pages 1 through 3 must be completed by the preparer.
- Each item on pages 2 and 3 of the intake/interview sheet must be addressed with the client and the preparer must validate that each item was addressed by making a note or a mark in the gray section.
- If a box is checked on the left side of the form, the applicable box(es) in the gray section should be marked and a dollar amount or number of items entered where indicated.
- If a box is not checked on the left side of the form, a notation of No or N/A must be made in the gray section or a line drawn through the item.
- The quality reviewer must review the intake/interview sheet to see that it is properly completed and to verify that all items that are marked have been accurately addressed on the tax return.

Expenses for Self-Employment – Before starting the return in TaxSlayer, any expenses related to self-employment must be part of the intake/interview with the taxpayer. In the gray section on page 2 of Form 13614-C, there is a checkbox for Expenses and a line to enter the dollar amount of total expenses. Gathering this information at the time of intake/interview ensures that the tax return is in scope and that the taxpayer has all of the information needed in order to prepare his or her return. Reminder: Reference Pub 4012 often to ensure that preparing the Schedule C is in scope for VITA.

Service Fee Housing and Tax Exempt Housing Lists

Michigan Department of Treasury has updated the lists on their web site for service fee housing and tax exempt housing. Each list is located on our Resources page under Tax Preparer Tools/State of Michigan/Homestead Property Tax Credit. The lists can also be found on Treasury's web site at www.michigan.gov/taxes under the Tax Professionals tab. Please note that they have not put a date on the lists as was done in prior years, but Treasury has assured us that the lists on the web site are updated lists.

The lists should be referenced often when completing the renter questions on Accounting Aid Society's Michigan Intake Sheet to ensure that any Homestead Property Tax Credit Claim is completed correctly.

TaxSlayer

IP PIN and FORM 1095-A Carryforward Alerts

There was an enhancement to TaxSlayer on February 17 that added an informational alert to the carryforward screen for each of the following scenarios:

- If an IP PIN was used on the prior year return.
- If a Form 1095-A was reported in the prior year return.

If either of these alerts appear after the Social Security number is entered in TaxSlayer, please advise all staff and volunteer tax preparers to stop and to verify the answer for the applicable question on the Intake/Interview and Quality Review Sheet, Form 13614-C:

- **IP PIN (Identity Protection PIN)** – If the IP PIN carryforward alert appears and the taxpayer (or spouse, if married filing jointly) box is **not** checked on page 1 of Form 13614-C:
 - The preparer should let the taxpayer(s) know that an IP PIN was entered on the 2023 tax return and that they need to provide the IP PIN for the 2025 calendar year before we can electronically file the return.
 - Because the return has already been started (by entering the Social Security number), complete the 2024 return. If the IP PIN is not obtained during the appointment, assign the "Missing Information" return tag and add a Note in TaxSlayer indicating what information is missing. *Do Not* mark the return as Complete.
 - The answer on the intake/interview sheet should be updated, as warranted.
 - Ask the client if they received a letter/notice from the IRS in December or January about their Identity Protection PIN (CP01A notice). If yes, make arrangements for them to return to the tax site with the notice so that the return can be completed. The CP01A notice will list the IP PIN to be used this year.
 - If they do not have a notice from the IRS, advise them to retrieve the IP PIN from their IRS online account or to call the IRS to have the IP PIN reissued. The attached web page, *Retrieve your IP PIN*, from irs.gov can be given to clients to assist them in retrieving their IP PIN or getting it reissued.
If they have an IRS online account, they could try to retrieve the IP PIN while at the tax site.
- **Form 1095-A** – If the Form 1095-A carryforward alert appears and the "Purchase health insurance through the Marketplace (Exchange)" box is **not** checked on page 3 of Form 13614-C:

- The preparer should let the taxpayer(s) know about the alert and follow up with them to determine if they had Marketplace insurance in 2024.
- If they had insurance through the Marketplace, but do not have their Form 1095-A, advise them to call the **Marketplace at 1-800-318-2596** to get the information from their 1095-A. We have attached a blank 2024 Form 1095-A, Health Insurance Marketplace Statement, for the client to fill in the information.

Ask them to call the Marketplace while at the tax site; if time permits, the preparer could be on the phone with them. The phone number is open 24 hours a day, seven days a week. Depending on phone volume, it could take less than 10 minutes to get the information. Ask the Marketplace representative for the following information from Form 1095-A:

- Part II, Covered Individuals – In addition to writing down the name(s) of each covered individual, the client should write down the information for columns D and E for each individual, the coverage start date and termination date.
- Part III, Coverage Information – They should fill in the information that the Marketplace tells them for lines 21 through 33, columns A, B and C.
- If the taxpayer(s) indicates they did not have insurance through the Marketplace in 2024, answer No in TaxSlayer, and the preparer should document their conversation with the taxpayer(s) by adding a Note in TaxSlayer, including that a 1095-A carryforward alert was in the return but the taxpayer states they did not have Marketplace insurance in 2024.
- If it's determined that a fraudulent insurance account was established at the Marketplace for the taxpayer, they should be advised to call the Marketplace at 1-800-318-2596 to discuss the issue and to get the Marketplace to record it as a fraudulent case. If the taxpayer received a Form 1095-A in this case, do not enter the amounts in the return.
- The answer on the intake/interview sheet should be updated, as warranted, and notes added to clarify if needed to clarify the situation.

Note: In addition to the two new carryforward screen alerts, the preparer will still also see an e-file warning if an IP PIN and/or 1095-A information have not been entered in the return when that information was reported in the prior year return.

ALTERNATE CREDIT on HOME HEATING CREDIT CLAIM

It appears TaxSlayer is not calculating a home heating credit in certain situations where the filer is eligible to use the alternate credit. If heating costs were entered in the return and total household resources is above the maximum income ceiling for claiming the standard credit, but below the income ceiling for the alternate credit, the software is not doing the calculations beginning on line 42 of Form MI-1040CR-7.

If heating costs were entered on the return, please review the PDF of Form MI-1040CR-7 before completing the return.

1. If total household resources on line 37 is less than the maximum income ceiling in Table B on page 19 of the instructions for Form MI-1040CR-7 for the number of exemptions claimed on line 16h, there should be amounts on at least lines 42 and 43.
 - a. Note: The MI-1040CR-7 instructions can be found on our Resources page.

2. If there are amounts on lines 42 and 43, you can proceed with completing the return.
3. If lines 42 and 43 are blank, do a manual calculation for lines 42 through 45.
4. If your calculated amount for line 45 is zero, or if line 45 is less than the amount shown on line 40, you can proceed with completing the return.
 - a. On the taxpayer's printed copy of the return, enter the amounts you calculated for lines 42 through 45.
5. If your calculated amount for line 45 is more than the amount shown on line 40, do not file the Michigan return.
 - a. Switch the Michigan return to Paper and add a Note in TaxSlayer indicating that the alternate credit for the home heating credit is not calculating on MI-1040CR-7.
 - b. Please send an email to Kathy Holka at kholka@accountingaidsociety.org listing any returns where this occurs.
 - c. Advise the client that their Michigan return will be put on hold and will be electronically filed once TaxSlayer fixes the issue. We will then contact them to make arrangements for them to get a copy of their Michigan return.

The above scenario should be rare where we will have to hold the return. For the majority of Home Heating Credit Claims for our clients with heating costs, you will stop at Step 2 above and can complete the return. This is a good reminder that we should be aware of the income ceilings in Tables A and B of the instructions when determining if a taxpayer is eligible for the home heating credit and to review the claim if THR is less than the ceiling amounts.