ACCOUNTING AID SOCIETY

STEP BY STEP INSTRUCTIONS FOR VOLUNTEER TAX PREPARERS

Last Updated 1/9/2026

OVERVIEW OF TAX RETURN APPOINTMENT

Please note: following the Overview, everything is described in greater detail

1. CONDUCT INTAKE/INTERVIEW WITH TAXPAYER

- ★ Collect picture ID and Social Security documentation from client (a photo or copy is acceptable)
  If MFJ, both must be present with ID
  Social Security cards must also be presented for all dependents
- ★ Complete Federal Intake/Interview Sheet (each line must be answered with yes or no)
- ★ Complete AAS Supplemental Michigan Intake/Interview Sheet
- ★ Complete Taxpayer Return Questions

2. PREPARE TAX RETURN IN TAXSLAYER PRO ONLINE 2026

<u>TaxSlayer Task 1: Enter Basic Information</u>

- ★ Taxpayer/Spouse Information
- ★ Filing Status (DO NOT use the Filing Status Wizard button)
- ★ Dependent Information
- ★ Identity Protection PIN

<u>TaxSlayer Task 2: Complete Federal Section</u>

- ★ Federal Income (See Table 1)
- ★ Expenses (See Table 2)
- ★ Life Events (See Table 3)
- ★ Health Insurance (See Table 3)

<u>TaxSlayer Task 3: Complete State Section</u>

- ★ Basic Information
- ★ Subtractions from Income – Pensions (See Table __)
- ★ Credits
  - ○ Homestead Property Tax Credit (See Table__)
  - ○ Home Heating Credit (See Table__)
  - ○ Total Household Resources – Non-taxable Income, Medical Insurance Premiums (See Table__)
- ★ Complete City of Detroit Return, if client is a:
  - ○ Resident (See Table__)
  - ○ Non-Resident (See Table__)
  - ○ Part-Year Resident (See Site Coordinator)
- ★ Complete Return for other Taxable Cities (ex: Hamtramck, Highland Park, Pontiac), if client is a:
  - ○ Resident or Non-Resident (See Table__)
  - ○ Part-Year Resident (See Site Coordinator)
- ★ Record amounts for Property Tax Credit, Home Heating Credit and City Refund/Balance Due on the Preparer Return Questions Form.

TaxSlayer Task 4: E-File Page: Prepare Return for Filing

- ★ Select Federal Return **AND** State Return Types
- ★ Enter Client Email Address, if provided
- ★ Enter Banking Information (if opting for direct deposit, savings bonds, or splitting of Federal Refund)
- ★ Taxpayer Consent: Have client (and Spouse) sign Global Carry Forward and Relational Office Consent Form
- ★ Custom Questions: Enter client's responses from Taxpayer Return Questions
- ★ Custom Credits: Enter amounts from Preparer Return Questions
- ★ Submission Page – Print QR page 1 and have client check their personal information

3. QUALITY REVIEW & PRESENTATION OF TAX RETURN

- ★ Explain final steps of our process to client and ask for a Quality Review
- ★ Reviewer checks entire return and prints client's copy
- ★ Compile Return and present it to the client

CONDUCTING TAXPAYER INTAKE/INTERVIEW

The intake/interview process provides the Tax Preparer with all information needed to complete a tax return. It is required that both intake forms are **fully filled out** before beginning the return in TaxSlayer, with no questions skipped. For any boxes checked on the Federal Intake Sheet, the client should have a corresponding tax form.

IMPORTANT NOTES ABOUT THE INTAKE PROCESS

- **MISSING DOCUMENTS**: If a document is missing, finish the intake process to ensure nothing else is missing. Complete a Missing Information Form for your client and ask them to reschedule their appointment once they have gathered everything that they need. There are two missing items that often cause a return to be rejected upon transmission: IP PIN and 1095-A (Marketplace Insurance form). **Always** ask about these and, if they are missing, offer advice on how to retrieve them
- **SCOPE OF SERVICE:** A tax return may be out of scope for VITA because of guidelines given to us by the IRS
    - The 2025 income limit is $69,000. If a client has a higher income, see your Site Coordinator.
    - Receiving rental income is out of scope
    - Self-Employment is out of scope **IF**: the business has expenses greater than $50,000, involves holding inventory, pays employees, operates at a loss, or client wants to deduct the use of home as a workspace.
    - For self-employed drivers, gas expenses can be calculated by using business miles only.
    - Digital Assets: Purchasing digital assets with real currency during the tax year or holding digital assets may still be in scope. All other crypto activity is out of scope.

When in doubt about an item being in scope for VITA, refer to the Scope of Service chart and instruction pages in Pub 4012, page VI Volunteer Resource Guide, or ask your Site Coordinator.

COLLECT IDENTIFICATION

The very first step in the process is to collect the following required identification documents:

- **Photo Identification (one of the following for taxpayer AND spouse if married filing jointly):**
  - State-issued driver's license
  - State-issued ID card
  - U.S. passport or passport card
  - Military ID

- **Taxpayer Identification (taxpayer, spouse AND all dependents listed on the return):**
  - Social Security card **or** Individual Taxpayer Identification Number (ITIN) card/letter

Notes:

- Photocopies or photos of the documents are acceptable.
- Typically, these documents are held during the appointment and returned by the Quality Reviewer after verifying all information.

FEDERAL INTAKE SHEET

1) BASIC INFORMATION - Complete ALL Questions. Important Reminders:
   a) Mailing address: Check the back of ID for updating address and confirm with the client that they wish to use the address on their ID as their mailing address
   b) If a client indicates they lived or worked in 2 or more states, let them know we can only complete a return for Michigan and they will still need to go somewhere else to file the other state(s)
   c) If a client and/or spouse indicate they are not a U.S. citizen or are in the U.S. on a visa - consult the 4012 and your site coordinator to confirm the return is in scope
   d) **Identity Protection PIN** - Some clients require this 6-digit code in order to file their taxes electronically. They should have received Notice CP01A from the IRS providing their Identity Protection PIN (IP PIN) for 2026, check the date on the letter is the current year date. If the Taxpayer **should** have an IP PIN and does not, it can be found in the client's irs.gov account. It may be necessary to set up an ID.Me account. (Instructions for this process can be found at **Tax Preparer Tools > Client Assistance Tools > IRS Account - ID.Me**) If the IP PIN is not found, the return must be paper filed. **Always ask every client:**

      i) Have you ever been issued an **Identity Protection PIN (IP PIN)** by the IRS?

      ii) Have you **used one in the past** or been a **victim of tax-related identity theft**?

      Tips for identifying an IP PIN (clients may not recognize the term):

      - Ask if their **return has ever been rejected** or if they had to file **paper instead of electronically file**.
      - Ask if they receive **letters from the IRS with a special code**.
      - Ask if they **retrieve a code online each year** to file their return.
      - Ask if AAS has ever **called them after filing** to ask for a PIN code.

- Ask if **anyone else has ever filed their return** on their behalf.

Why this matters:

- IP PIN issues are **one of the top causes of rejected returns**.
- Asking in multiple ways helps ensure clients don't forget or misidentify the PIN.

2) REFUND/PAYMENT OPTIONS

   a) Direct deposit – client must provide routing and account numbers via:
      i) A check,
      ii) A bank card
      iii) Bank account statement
      iv) Their banking app on their phone.

   If proof of banking information is not available, seek guidance from the site coordinator.

   b) Paper check
      i) Still available for Michigan residents and is the only option for certain localities.
      ii) IRS no longer issues paper checks except when required due to missing banking info or exceptions:
         (1) If banking info is missing or a direct deposit is rejected, the IRS will send a letter requesting updated information within **30 days** and the "Where's My Refund" tool will also display a notification.
         (2) Taxpayers can update banking info through their Individual Online Account.
         (3) Refunds may be held for up to **6 weeks** if info or exceptions are missing.
         (4) Once info is provided, the refund is released immediately via direct deposit or paper check.
         (5) After **6 weeks**, if no info is provided and no other issues exist, the refund is issued as a paper check.
   c) CFR Card – Encourage all clients to enroll, especially for clients without bank accounts. See site coordinator to enroll clients.
      i) Client must sign both sides of the "Consent to Disclosure of Tax Return Information" form to enroll in a CFR card (See Site Coordinator)
   d) Balance due
      i) Direct debit from the return is not offered (AAS policy) for safety reasons
      ii) Clients can pay online via the IRS portal:
         (1) Provide clients with the payment information and
            (a) Assistance to the client with navigating the online payment is limited to site capacity and should be offered if they have no one else to assist.

NOTE: If a client is due a federal refund, doesn't have a bank account and declines the CFR card, see your site coordinator

3) FILING STATUS
   a) The State of Michigan has three filing statuses. Those filing HOH or QSS on the Federal return will be Single on their Michigan return

b) Michigan does not recognize Legal Separation so this is not an option for our clients

c) ALWAYS use the decision tree to determine filing status after the questions on the intake are answered (4012 Page B13) Write the determined filing status from the list below somewhere in the filing status section on the federal intake.

i) **SINGLE:** Taxpayer is unmarried as of 12/31/2025 and not claiming any dependents

ii) MARRIED FILING JOINTLY (MFJ)

(1) Both spouses must be present (Power of attorney is required if one of the spouses is not present)

(2) If the clients have filed with AAS before, use the same Primary Taxpayer to allow information to be pulled from past returns

(3) **Injured Spouse Form (Form 8379):**

(a) If one spouse owes past-due obligations (tax debt, child support, student loans, etc.), the other spouse may **file jointly and still protect their portion of the refund**.

(b) This allows the spouse who is **not liable for the debt** to claim their share of the refund.

(c) Encourage clients who are considering **Married Filing Separately due to concerns about refunds being applied to the other spouse's debts** to discuss the Injured Spouse form with staff.

iii) MARRIED FILING SEPARATELY (MFS)

(1) Taxpayer is married as of 12/31/2025, even if not living together

(2) Must provide Spouse's SSN in order to e-file

(3) Generally has a higher tax rate

(4) Not eligible for: Earned Income Credit, education credits, student loan interest deduction, and more

iv) **HEAD OF HOUSEHOLD (HOH):** Must be **unmarried** (or considered unmarried – see 4012 decision tree and Site Coordinator) and have qualifying dependent(s) living with them for more than half of the year

v) **QUALIFYING SURVIVING SPOUSE:** Taxpayer may use this status for two years following their spouse's death as long as they remain unmarried and have qualifying dependent(s) living with them for more than half of the year

4) DEPENDENT INFORMATION

a) Complete ALL boxes in this section, especially the grey boxes that say "To be completed by certified volunteer" for anyone residing in the household to determine if they can be claimed as a dependent on the return.

5) INCOME - All questions MUST be answered by checking the box or indicating that it does not apply to the client (Corresponding source documents and references are listed in Tables 1 below)

a) **Tip Income** - Some tip income is not taxable - if a client indicates they had tips, see site coordinator for guidance

b) **Retirement Income** - Double check the code in box 7 (codes 5, 8, 9, A, E, J, K, N, P, R, T, U are Out of Scope). If box 2 is empty (taxable amount not determined) and there is an amount in box 9, the simplified method will need to be used to determine taxable value. This requires advanced certification.

c) **Disability Benefits** - This question is specifically referring to benefits reported on a w-2 or 1099-R.

   i) SSDI is social security income reported on a SSA-1099 (next question)

   ii) SSI is nontaxable income that goes on the Michigan intake and return only.

d) **Social Security:** Determine what kind of social security income is being received. Those receiving SSA or SSDI will receive it on the third Wednesday of the month and will have an SSA-1099 to be included on their federal return. If they do not have this form, they may receive SSI which goes on the Michigan return and is received on the 1st of every month. Dependent SSA/SSDI/SSI goes on the Michigan return if it is used towards household expenses.

e) **Refund of State or local income tax** - only required if they itemized the previous year

f) **Alimony** - Only taxable if divorce agreement was settled between 1985-2018

g) **Rental Income** - Out of Scope

h) **Self-Employment Income** - ALWAYS fill out the 1099-NEC and Schedule C Worksheet!

   i) Check the back of the worksheet to ensure the return is in scope

   ii) All self-employment income will require a Schedule C in Taxslayer

6) **EXPENSES -** All questions MUST be answered by checking the box or indicating that it does not apply to the client (Corresponding source documents and references are listed in Table 2)

   a) **Itemized Deductions** - Most clients **do not benefit from itemizing deductions** (such as mortgage interest, medical expenses, or charitable contributions) due to the significant increase to the **standard deduction** in recent years.

      i) **Before entering any itemized deductions into TaxSlayer:**

         (1) **Add them up first** to determine if they are likely to exceed the client's standard deduction.

         (2) **Do not enter** itemized deductions unless they reasonably appear to be greater than the standard deduction and would result in a lower taxable income.

      ii) If a client asks to itemize, you can explain:

         "With the increased standard deduction, you'll actually benefit more by taking the standard deduction this year — it gives you a larger overall tax break than itemizing would."

It often helps to **look up and share their actual standard deduction amount** so they have a real number for comparison.

iii) If the client **still insists on itemizing**, please **see your Site Coordinator** before proceeding.

b) **Child and Dependent Care** - remember that they must be able to provide an EIN or SSN for the care provider to claim the credit!

c) **Educator Expense Deduction** - most educators qualify for this credit as long as they meet the minimum worked hours (900). Verify they have receipts/written evidence of at least $300 in expenses (does not need to provide to us, verbal confirmation is fine).

d) **Alimony Payments** - Only deductible if divorce agreement was settled between 1985-2018

7) **TAX RELATED EVENTS** - All questions MUST be answered by checking the box or indicating that it does not apply to the client (Corresponding source documents and references are listed in Table 3)

a) Education Credit

i) Use the Education Credit Worksheet

ii) Reminder - all clients claiming this credit should provide the account summary from their institution - they can usually go online and pull it up if they do not have any documentation with them.

b) **Sale of home** - only sale of primary residence is in scope! See Pub 4012 or the Accounting Aid Compass for a guide on this topic

c) **HSA** - client may not know they have an HSA - code w in box 12 of 1040 is a good indicator

i) Client should provide forms:

(1) Form 1099-SA: Distributions From an HSA

(2) Form 5498-SA: HSA: Contributions made to an HSA

ii) If they cannot provide the forms - discuss with the site coordinator

d) **Marketplace Insurance** (aka Obama Care or ACA): **ALWAYS** ask what kind of health insurance the client has. A 1095-A form must be entered for everyone who had Marketplace insurance. This form can be obtained by calling the Marketplace at 1-800-318-2596. This is a common reject, so best practice is to see proof of insurance form (1095-A, 1095-B or 1095-C) to verify they did not have marketplace insurance. The information below is meant to help resolve some of these issues BEFORE the return rejects.

i) Reasons people do not include marketplace insurance:

(1) Taxpayer had Marketplace coverage in a prior year and was auto-renrolled.

(2) The taxpayer had short-term coverage but forgot or assumed it didn't count.

(3) Taxpayer didn't realize the coverage was from the Marketplace:

(4) They know the insurance company name but think it's employer or private coverage.

(5) Fraudulent enrollment in coverage they didn't apply for.

ii) If the client cannot be sure but thinks they MAY have had Marketplace insurance (or you think it is reasonable to assume they did): Call the Marketplace with the client to clarify. Support the Client:

(1) Prepare them for long hold times or complex calls.

(2) Guide the conversation and help them explain the situation.

(3) Emphasize that resolving the issue properly now prevents longer delays later.

8) Additional Notes/Comments

a) Use this section to document any additional information needed such as additional dependents that did not fit on page 1, any calculations done, or any other information the intake yielded that may be useful to the quality reviewer.

9) **CONSENT FORM**: The Federal Intake Form contains Form 15080 to be signed by the client. Explain, "By signing this form, you are giving us permission to keep your basic information in our system for next year. When you return to any VITA site, your information will roll forward, making the process faster and easier. We ask for this consent every year, so you'll always have the choice to agree or decline."

MICHIGAN INTAKE SHEET

1) **Part I - SCHOOL DISTRICT**: This should correspond to the client's address as of 12/31/2025. If unsure, see **Tax Preparer Tools > State of Michigan > Michigan Tax Tools > School District Map**

2) **Part II - EXEMPTIONS**: In Michigan, receiving SSDI, SSI or VA disability benefits support the claiming of a special exemption for disabled Taxpayers 65 or younger. (refer to MI-1040 instructions, page 10 for details about Special Exemption eligibility)

3) **Part III - HOMESTEAD PROPERTY TAX CREDIT**

This credit is calculated by comparing the Taxpayer's Total Household Resources with the amount of property taxes or rent paid throughout the year.

Always check Taxpayer's address on the Tax Exempt and Service Fee housing lists found at **Tax Preparer's Tools > State of Michigan > Homestead Property Tax Credit > Service Fee Housing List/Tax Exempt Housing Lists**. Use Control F to search the address. Tax Exempt residences are not eligible for this credit. Residences with Service Fee status must be indicated as such on the return.

a) Homeowners should present their summer and winter tax bills to be used in the calculation of this credit. An assessment showing the Taxable Value for their home in 2025 can also be used to calculate the taxes levied. Find instructions at **Tax Preparer's Tools > State of Michigan > Homestead Property Tax Credit > Step-by_Step: MI Millage Rates**. If the client has none of these, see your site coordinator

   i) See the Accounting Aid Compass for a step-by-step on calculating the property taxes based on millage rate.
   ii) If the millage rates are not on the website, the State of Michigan has not published them yet, clients must then provide property tax bills in order to calculate the credit.

b) Renters are required to have a legal contract in order to claim this credit. If on a shared lease, the total monthly rent should be split evenly amongst listed tenants
c) If the rental property is subsidized, the portion of rent paid by the Taxpayer is entered
d) Service Fee Housing

   i) If the rental is categorized as Service Fee Housing, select only "Service Fee Housing" in TaxSlayer, do not also select "Subsidized."

e) Even if the housing is both subsidized and service fee, only choose "Service Fee Housing" and enter the taxpayer's portion of the rent only (the non-subsidized portion).

f) ⚠️ If both "Service Fee" and "Subsidized" are selected, TaxSlayer will treat the rental as fully subsidized and will not apply the 10% limitation required for service fee housing.

4) **Part IV - <u>HOME HEATING CREDIT</u>**

- This credit is based on a comparison between the taxpayer's Total Household Resources (THR) and the amount they paid for heat in the previous year (or a standard allowance, if applicable).
- Clients can usually find this amount on their December or January bill (DTE), any bill (Consumers Energy), or by calling their utility provider for the HHC amount.
- For full eligibility details, see Tax Preparer's Tools > State of Michigan > Home Heating Credit > MI CR-7 Instructions (Page 11).

5) **Part V - <u>NONTAXABLE INCOME</u> (See Table 5)**

Ask clients ALL questions in this section. The income reported is used to calculate Total Household Resources.

a) **Child Support, Worker's Comp, VA benefits, FIP:** record amounts received
b) **SSI income** for any household members should be entered here, as well as Social Security income received by dependents. (Only SSA-1099 income for the Taxpayer/Spouse is included in the Federal section)
   i) Received on the 1st of the month. Maximum monthly payments for 2025 are $967. There is no tax form for these payments, but some clients will have a benefits letter stating their payments. It is fine for clients to tell us what they received. SSI income is only included on the Michigan return.
c) **Gifts or Assistance from family/friends/agencies:** any amount over $300 should be recorded. If your answer to #1 of the Due Diligence section is NO, revisit this question with your client. If they do not have enough income to substantiate their living expenses, it is likely that Michigan will refuse to issue their credits. If clients say they paid their bills using savings, they will need to paper file and include a letter explaining that they covered their expenses for the year by using their savings as well as bank account statements.

d) **State SSI -** The state of Michigan provides almost all SSI recipients state SSI. If the client or anyone claimed has SSI, ask if they also receive $42 every three months.

6) Part VI - HEALTH INSURANCE

- Marketplace Insurance Premiums will not be known until a 1095-A has been entered into TaxSlayer. Once the Federal section is completed, reference Form 8962 to find the amounts for Marketplace Insurance Premiums and Premium Tax Credit.
- Include any amounts paid for private health insurance premiums
- Include any amounts in box 5 of the 1099-R that are used for health insurance premiums
- Ask the client if they had car insurance for the year, if they did, find out if they paid or waived the PIP portion (they MUST provide proof of health insurance to their car insurance in order to do so). The state standard for PIP is $130 per vehicle. If the client can show a breakdown of what portion of the PIP was used towards medical insurance, that amount may be used, otherwise - use the standard $130

7) Part VII - DUE DILIGENCE

- Question 1 - if NO - client will be audited if they file - ask additional questions to find out how they can substantiate their expenses. Must be at least $1,000 more than their rent + utilities. See site coordinator for support.

8) Part VIII CLIENT REVIEW AND AUTHORIZATION

This is where the client will place their initials once they have looked over the QR sheet once the return has been entered into TaxSlayer - they should check each item and initial, acknowledging that they reviewed the information and it was correct.

TAXPAYER QUESTIONS

While you complete the return in TaxSlayer, ask the client to fill out this survey. Let them know that this information is for organizational purposes only and used when soliciting funds for the VITA program. If they are uncomfortable answering any of the questions, they can select “Prefer not to answer.”

These questions should be answered by our clients and assumptions should not be made.

PREPARING THE TAX RETURN IN TAXSLAYER

IMPORTANT: **DO NOT** start a return in TaxSlayer if information is missing. Give your client the Missing Info Form detailing what they need to bring back to a rescheduled appointment.

Use **ALL CAPS** when inputting information. If prompted, always choose “**ENTER MYSELF”**.

TAXSLAYER TASK ONE: ENTERING BASIC INFORMATION

1) Enter Social Security number.
2) If “Pulling Prior Year Data” appears
   a) Review items that will be pulled forward and uncheck any items that are not current. At this point, it is sometimes discovered that a tax document is missing (ex: W-2 or 1099-R). If that happens, the client must reschedule and return with the missing document(s).
   b) **ALWAYS** select “Yes, Import My Data”
3) **Filing Status:** Determined from the Federal Intake Sheet (see above). **DO NOT** use Filing Status Wizard.
4) **Personal Information:** Fill in completely
   a) Occupation field is optional
   b) Whether or not a checkbox needs to be selected is determined on the Federal Intake Sheet
   c) Spouse Information
      i) If MFJ, spouse must be present with ID
      ii) If MFS, client must have Spouse’s SSN in order to e-file. Otherwise, a dummy SSN can be used and the client must file a paper return (see site coordinator)
5) **Michigan Return**
   a) School District (select according to where Taxpayer lived as of 12/31/2025)
   b) State Campaign Fund: see Michigan Intake Sheet
6) Dependents or Qualifying Person(s): Enter information and check applicable boxes according to the Federal Intake Sheet. Social Security cards for dependents must be present.
7) IP PIN: Found on notice CP01A from the IRS for tax year 2026. See note above if the IP PIN is missing.

TAXSLAYER TASK TWO: COMPLETE FEDERAL SECTION

1) FEDERAL INCOME

Follow Page 2 of the Federal Intake/Interview Sheet to ensure that all income is reported on the tax return. See Table 1 for instructions. The Form Finder in the upper left corner of TaxSlayer can be useful.

***** WHEN A CLIENT HAS NO FEDERAL INCOME (ex: receives only SSI):** Tax returns cannot be e-filed if the AGI is $0. To file this type of return and access Michigan credits: Go to **Income** > **Other Income** > **Income Not Reported Elsewhere** > enter **$1** with the description “**IN ORDER TO E-FILE**.”*******

2026 TABLE 1 – INCOME

INCOME TYPE (INTAKE SHEET, PAGE 2)	BASIC OR ADVANCED	SOURCE DOCUMENT	FIND IN TAXSLAYER	PUB 4012
WAGES	B	W-2	Income > W-2	D-8 – D-11
TIPS	A	W-2/CLIENT RECORDS	Income > W-2	see site coordinator
RETIREMENT, PENSION, ANNUITY	B	1099-R Box 7 codes 1 & 7 only	Income > 1099-R > Add or Edit a 1099-R	D-50 – D-54
	A	1099-R All other Box 7 codes	Income > 1099-R > Add or Edit a 1099-R	D-50 – D-54
RAILROAD RETIREMENT (TIER 2, GREEN FORM)	A	RRB-1099-R	Income > 1099-R, RRB > RRB-1099-R	D-56
DISABILITY BENEFITS	B	1099-R W-2	Income > 1099-R > Add or Edit a 1099-R Income > W-2	
SOCIAL SECURITY	B	SSA-1099	Income > 1099-R, RRB, SSA > Social Security Benefits	D-57 – D-58
RAILROAD RETIREMENT	A	RRB-1099	Income > 1099-R, RRB, Social Security > Social Security Benefits/RRB-1099	D-57
UNEMPLOYMENT	B	1099-G	Income > 1099-G Box 1 > Add or Edit a 1099-G	D-6
REFUND OF STATE/LOCAL TAXES (must have itemized deductions in 2025)	B	1099-G	Income > 1099-G Box 2	D-20
INTEREST **DIVIDENDS**	B B	1099-INT 1099-DIV	Income > Schedule B > Interest or Dividend Income > Select matching form	D-14 – D-16, D-18 – D-19
SALE OF STOCKS, BONDS,		1099-B	Income > Schedule D > Stocks, Mutual Funds,	D-32 – D-43

2026 TABLE 1 – INCOME				
REAL ESTATE	A	1099-S	etc. Income > Schedule D > Sale of Main Home	
ALIMONY	B	Client Records	Income > Alimony Received	D-3, E-9
INCOME FROM RENTALS	A	1099-MISC, Box 1	In scope only for active duty military (see Site Coordinator)	D-63
GAMBLING WINNINGS	B	W-2G	Income > Other Income > W2-G	D-65
SELF-EMPLOYMENT* **	A	1099-NEC, Box 1 1099-K Client Records	Income > 1099-NEC Income > 1099-K > Continue to Schedule C Income > Schedule C	D-21 – D-30
OTHER INCOME **JURY DUTY**	B	Client Records	Income > Other Income > Other Income	D-65, E-4
SCHEDULE K-1	B	K-1	Income > Other Income > K-1 Earnings	D-59 – D-62
ROYALTIES	B	1099-MISC	Income > 1099-Misc Box 2	

*****SELF-EMPLOYMENT** requires a Schedule C that includes income, related expenses and a description of the work performed. Entering a 1099-NEC or 1099-K in TaxSlayer will initiate the Schedule C. If there is no 1099, access the Schedule C directly from the Federal Income page. Use the Schedule C worksheet available at your tax site to establish income and expenses. Remember that AAS cannot use gas expenses for drivers, only mileage

2) Expenses: **Follow the first two sections of Page 3 on the Federal Intake/Interview Sheet**.

2026 TABLE 2 – EXPENSES				
TYPE OF EXPENSE (INTAKE SHEET, PAGE 3)	**BASIC OR ADVANCED**	**SOURCE DOCUMENT**	**FIND IN TAXSLAYER**	**PUB 4012**
DEDUCTIONS *Make entries **ONLY** if taxpayer will be itemizing deductions				
MORTGAGE INTEREST	A	1098	Deductions > Itemized > Mortgage Interest/Exp	F-14
TAXES (State, Local, Real Estate, Sales, Etc.)	A	Tax bill/auto registration	Deductions > Itemized > Taxes You Paid	F-10
MEDICAL/DENTAL/ PRESCRIPTIONS	A	Client records	Deductions > Itemized > Medical, Dental and Vision	F-8
CHARITABLE CONTRIBUTIONS	A	Client records	Deductions > Itemized > Gifts to Charity	F-16
STUDENT LOAN INTEREST	B	1098-E	Deductions > Adjustments > Student Loan Interest	E-17
CHILD AND DEPENDENT CARE	B	Statement from daycare provider	Deductions > Credits > Child and Dependent Care	G-12 – G-14
CONTRIBUTIONS TO RETIREMENT ACCOUNT	B	5498 - ROTH IRA	Deductions > Credits > Credit for Qualified Retirement Savings Contributions	G-17 – G-20
	A	5498 - IRA	Deductions > Adjustments > Traditional IRA Contributions	
SCHOOL SUPPLIES BOUGHT BY EDUCATOR	B	Client records (limit $300)	Deductions > Adjustments > Educator Expenses	E-8
ALIMONY PAYMENTS	B	Client records	Deductions > Adjustments > Alimony Paid	E-14

3) Life Events

Follow the third section of Page 3 on the Federal Intake/Interview Sheet.

2026 TABLE 3 – LIFE EVENTS				
TYPE OF EVENT (INTAKE SHEET, PAGE 3)	**BASIC OR ADVANCED**	**SOURCE DOCUMENT**	**FIND IN TAXSLAYER**	**PUB 4012**
EDUCATIONAL CLASSES	B	1098-T	Deductions > Credits > Education Credits	
SELL A HOME		1099-S Closing papers	Income > Schedule D > Sale of Main Home	D-40 – D-43
HEALTH SAVINGS ACCOUNT	A	W-2 > Box 12 > Code W 5498-SA & 1099-SA		E-10
MARKETPLACE INSURANCE ***	A	1095-A	Health Insurance	
PURCHASE OF ENERGY EFFICIENT HOME ITEMS	A	Client records	Deductions > Credits > Residential Energy Credits > Qualified Energy Efficiency Improvements	
CANCELLATION OF DEBT (Credit Card, Mortgage)	A	1099-C 1099-A	Income > Other Income > 1099-C	
FEDERAL DISASTER AREA LOSS				
TAX CREDIT DISALLOWED IN PRIOR YEAR (Earned Income, Child Tax Credit, Amer. Opportunity Credit)	B	Client records, Letter from IRS Form 8862		I-8
ESTIMATED TAX PAYMENTS OR APPLY PREVIOUS YEAR'S REFUND	A	Client records Prior tax return		

***** MARKETPLACE INSURANCE:** For **every** tax return, the Tax Preparer must go to the Health Insurance Tab and report if the client had coverage through the Affordable Care Act, a question from the Life Events section of the intake interview. If the client had Marketplace Insurance, they should have received Form 1095-A, which will be entered here.

IMPORTANT: After entries were made from Tables 1 - 3 (or if no entries were made), additional entries may be needed!

TAXSLAYER TASK THREE: COMPLETE STATE SECTION

Navigate to State Section Tab > click on Edit (Blue Pencil Icon)

1) **School District –** If not auto-filled, select the Taxpayer's school district, as of 12/31/2025. Be aware that the school district may be different than the city the client lives in
2) **Basic Information – Special Exemptions:**
    a) Taxpayer/Spouse
    b) Dependents
    c) Qualified Disabled Veterans (can be used in combination with other special exemption)
    d) Stillbirth
3) **Subtractions from Income –** Not all income that is taxable at the federal level is taxed in Michigan. Most subtractions are calculated automatically, but some must be entered manually. (See site Coordinator)
    a) Deduction Based on Year of Birth for pensions
    b) Phase In Subtraction

       Find guidelines at **Tax Preparer Tools > State of Michigan > NEW Michigan Pension Chart**

    c) U.S. Military/Michigan National Guard/Railroad Retirement Benefits
    d) State and Local Income Tax Refund (**only if** client itemized deductions in 2024)
4) **Credits**
    a) **Homestead Property Tax Credit**
        i) Homeowner
            (1) Select that the Taxpayer is eligible for the credit and a Homeowner
            (2) Begin Part 1
            (3) Enter the Taxable Value and Taxes Levied according to the Michigan Intake Form
            (4) If client bought or sold their home in 2025, see your Site Coordinator
        ii) Renter (unsubsidized)
            (1) Select that the Taxpayer is eligible for the credit and a Renter
            (2) Begin Part 2
            (3) Enter all rental information according to the Michigan Intake Form, including any changes to monthly rent or address
        iii) Occupant of Housing Facility (Subsidized, Service Fee, Co-op, Nursing Home, Assisted Living, etc.)
            (1) Select that the Taxpayer is eligible for the credit and a Renter
            (2) Begin Part 3
            (3) Enter the appropriate type of housing
            (4) If subsidized or service fee, enter the total rent paid BY THE TAXPAYER for the year. If housing was both subsidized and service fee, **always** select Service Fee Housing
            (5) If residence is one of the other options, enter prorated share of taxes provided by the client from the housing facility
    b) **Home Heating Credit – See MI-1040CR-7 Instructions Book**
        i) **Always** answer YES for eligibility

ii) Select the client's County, Heat Type (natural gas), and Heat Provider.
iii) U.S. Citizen or Qualified Alien Status. This will almost always be yes. See Page 6 of MI-1040 CR-7 Instruction Book
iv) Indicate if the client's heat is included in their rent
v) Indicate if client or spouse receives SSI
vi) The total amount charged for heat in 2025 can be found on the Taxpayer's Dec/Jan gas bill and entered as an exact amount. This space can also be left blank and a standard formula will be used in the calculation
vii) Select a CARE facility if applicable. If they were a part-year resident, see Site Coordinator
viii) **Always** answer YES for refund eligibility
ix) For shared credit or part-year residents, see your Site Coordinator

c) **Total Household Resources –** This is where any nontaxable income is recorded. It is only needed when applying for the Michigan tax credits.
   i) Record all non-taxable income from the Michigan Intake sheet Part V. (See Table 5)
   ii) Medical insurance/HMO premiums

2026 TABLE 4 – NONTAXABLE INCOME

TYPE OF INCOME (MI. INTAKE, PART V.)	SOURCE DOCUMENT	FIND IN TAXSLAYER	MI-1040 INSTRUCTIONS
		Credits > Homestead Property Tax > Total Household Resources >	
1. CHILD SUPPORT	Client records	Enter amount of Child Support	
2. WORKERS COMPENSATION **V.A. BENEFITS**	Letter/client records Letter from V.A./ Client records	Enter any Workers Comp, Veterans Disability Comp and pension benefits received that are not included on Federal 1040	
3. FIP/MDHHS BENEFITS	Annual statement from MDHHS	Enter amount of FIP and other MDHHS benefits received. DO NOT INCLUDE Food Assistance benefits.	
4. SOCIAL SECURITY RECEIVED BY DEPENDENTS	SSA-1099	Enter any additional Social Security Benefits and Supplemental	

2026 TABLE 4 – NONTAXABLE INCOME			
SUPPLEMENTAL SECURITY INCOME (FOR TP, SPOUSE, OR DEPENDENT)	SSI Benefits Letter	Security Income (SSI) that was NOT reported on your federal tax return	
5. GIFTS OR ASSISTANCE	Client records	Enter amount of gifts/ assistance paid on your behalf	
6. OTHER NONTAXABLE STATE SSI **ANY OTHER**	Letter from MDHHS/ Client records Client records	Enter any other nontaxable income Enter description	

5) **City of Detroit Return:** All Taxpayers who live or work in Detroit and have taxable income must complete a City of Detroit return. **Michigan Return > City of Detroit Return**

NOTE: If the Taxpayer worked in a taxing city (Detroit, Hamtramck, Highland Park, etc.) and lived in a different taxing city, **complete the non-resident city** CF-1040 **first** and then the resident city return

a) **Resident of Detroit**
   i) Additions – If a 1099-R has code 1 (early distribution) in Box 7, add the income back
   ii) Subtractions
      (1) Retirement/Pension and Social Security – only taxed if early distribution. If TaxSlayer does not automatically subtract retirement income, subtract it manually
      (2) Unemployment Compensation (same as retirement)
   iii) Payments and Credits: Income taxes paid to another city
   iv) Detroit Miscellaneous Forms (See Site Coordinator)
b) **Non-Resident (worked in Detroit, lived outside Detroit)**
   i) Wages should be allocated if the Taxpayer had income that was not earned in Detroit.
   ii) Subtractions – see Resident return above
   iii) Payments and Credits – If filing resident return with another taxing city
   iv) Detroit Miscellaneous Forms – if TaxPayer has made estimated payments to Detroit, enter the amounts here
c) **Part-year Resident (see Site Coordinator)**

6) **Localities (CF-1040 for Taxing Cities other than Detroit):** All Taxpayers who live or work in a taxing city and have taxable income must complete a CF-1040. Other than for Detroit, city returns must be paper filed, with Federal 1040 and any W-2/1099-R's with city taxes withheld attached.

Access the MI City Form CF-1040 by exiting Michigan Return and clicking +Localities.

There are 24 taxing cities in Michigan (Commonly seen: Highland Park, Hamtramck, Pontiac). A complete list can be found at **Tax Preparer Tools > City > List of Taxing Cities**. Each city has its own instructions. When entering city withholdings in Federal Income, city codes must be entered exactly as written on the list at the bottom of Taxslayer (MAY BE DIFFERENT THAN WHAT IS WRITTEN ON THE W-2).

a) Wages and Excludable Wages
b) Adjustments to Income
c) Deductions
d) Payments and Credits
e) Non-Electronic Direct Debit/Deposit

TAXSLAYER TASK 4: E-FILE PAGE

1) **Return Details**
   a) Federal Return: select applicable option
   b) State Return: select applicable option
   c) Form 8879: enter client's email, if provided
2) **Fee Summary**: click continue
3) **Bank Account Info** enter type of account, routing and account numbers. Pull refund
4) **State ID License**: optional – can select Not Provided
5) **Taxpayer Consent**: Present the consent form on the back of the Federal Intake Sheet and have the client (and spouse if MFJ) sign it.

   Select accept and enter the taxpayer's zip code and the date. The client gives us permission to do so when they sign the 8879 BEFORE we can file the return.

6) **Custom Questions**: Copy your client's answers from the Tax Payer's Questions
7) **Custom Credits**:

   Navigate to State Section > click the Printer Icon > Record the Property Tax Credit, Home Heating Credit and City tax due/owed to DETROIT ONLY on Tax Preparer's Questions. Tax owed to Detroit should be entered as a negative number.

   Return to E-File > Custom Credits and enter the amounts.

8) **Submission Page**: > Print Tax Documents > select Quality Review from drop-down menu
   a) Custom print the QR sheet only
   b) Highlight the client's name, address, SSN, DOB, phone number and, if applicable, their dependent(s) information and routing and account numbers.
   c) Have your client review the highlighted information and initial the corresponding lines on Michigan Intake Sheet Part VIII.

QUALITY REVIEW AND PRESENTING THE TAX RETURN

At this point, ask your site coordinator or another designated available tax preparer to Quality Review the tax return. Once the QR is complete, the reviewer will print out the tax return.

1) Assemble the Tax Return
    a) Complete and attach the Cover Sheet to tax return
    b) Payments: For any amount owed to IRS, Michigan or Detroit, a payment voucher and instructions will be included in the return. Extract these and find the matching payment envelopes to give to the client.
    c) Paper Returns: See **Tax Preparer Tools > Federal > Tools > "Paper Filing Instructions"**
2) Present the return to the Tax Payer
    a) Go over the basics of the cover sheet
    b) Go through the tax return and explain in more detail. Invite questions
    c) Have the client sign the e-file consent. This should be the first page of the return and is **required** before submitting the return. Explain to the client before signing that by signing the return, they are confirming all information provided is correct and that they are responsible for the accuracy of the return.Their signature also authorizes us to e-file on their behalf and share their return with the IRS.