

Accounting Aid Society
Site Coordinator Update – February 1, 2025

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IRS Publication 4491-X, VITA/TCE Training Supplement (2024 Returns)

We addressed Publication 4491-X in the last update. Here, we want to provide some updated guidance for all volunteers and staff on how to use Pub 4491-X:

- Pub 4012 – If looking something up in Pub 4012, always refer to pages 9–12 of Pub 4491-X to see if any information has been updated for the Pub 4012 page(s) you are looking at. (This has to be done until the IRS updates the electronic version of Pub 4012.)
- Pub 4491 – The electronic version of this training guide will not be updated; therefore, whenever someone is looking at Pub 4491, they must also reference page 56 of Pub 4491-X to see if there is any updated information for the topic/page they are looking at.

Michigan Return

DETROIT PROPERTY TAX BILLS – ERROR ON SOME WINTER PROPERTY TAX BILLS

For those familiar with Detroit property tax bills, please be aware that school operating tax is now assessed on both the summer and winter property tax bills, beginning with tax year 2024. In prior years, it was only on the summer bill. There was a recent voter-approved 1.3968 school operating millage and this is the rate that appears on the winter property tax bill.

The City of Detroit issued a notice on December 6, 2024, that winter property taxes were incorrect for homeowners with a Principal Residence Exemption (PRE) because they did not reflect the exemption from the 1.3968 school operating millage.

For those homeowners where the 1.3968 school operating millage was applied to their bills in error:

- The City has corrected their winter property tax bill and corrected bills were mailed to homeowners (beginning the week of December 9, 2024).
- The corrected 2024 Winter Tax Bill will be yellow and should be used as a replacement to the bill received in early December (in blue).
- For those homeowners who have already paid their winter property tax bill, a refund will be sent for any overpayment within 30 days.

How to Handle at the Tax Site

- If the taxpayer’s winter property tax bill is yellow, use that bill along with the summer property tax bill to determine taxes levied.
- If the taxpayer’s winter property tax bill is blue, they have a PRE of 100%, and they have a billed tax amount for school operating tax (1.3968 rate):
 - Subtract the school operating tax amount from the total tax on the bill when determining total taxes levied.

2024 MILLAGE RATES

A listing of the 2024 Michigan property tax millage rates has now been posted to Michigan Department of Treasury's web site. Our guidance is that the summer and winter property tax bills should be used to determine taxes levied for the year. However, the millage rate listing can be an alternate source for determining property taxes levied in certain situations. The homeowner must provide proof of the taxable value and the percentage of Principal Residence Exemption (PRE).

You can access the 2024 list through a link on our Resources page (Tax Preparer Tools/State of Michigan/Homestead Property Tax Credit) or visit www.michigan.gov/taxes and click on the Property Taxes tab. Scroll down to select Estimate Your Property Taxes/Millage Rage Information.

Missing Information

Taxpayers do not always show up at the tax sites with all of their documents and/or all the information needed to prepare the tax return. We have attached a *Missing Information* document that can be completed and given to the taxpayer so they have a clear understanding of what is needed in order for us to prepare their return.

Please let the client know how they should proceed once they have all of the missing information. Indicate on the *Missing Information* document if they need to make an appointment or not. If they can return to the tax site without an appointment, please be sure to indicate the days and times the tax site is open. Advise them to bring the *Missing Information* form with them when they return.

The *Missing Information* form and a *Missing Info-Resources* document can both be found on our Resources page under Tax Preparer Tools/Site Manual/Tax Site Documents.

Reminder: The return should *not* be started in TaxSlayer if we know the client is missing information.

TaxSlayer

PART-YEAR AND NONRESIDENT MICHIGAN RETURNS

If the taxpayer is a part-year resident of Michigan or a nonresident, please follow the steps below:

1. Federal Section >> Personal Information page:
 - a. Scroll toward the bottom of the page and in the "Resident State as of 12/31/2024" field, select None from the top of the list in the drop-down menu.
(Note: The software will default this to "Michigan" based on the address entered.)
2. Complete the federal section of the return.
3. On the "Your Federal Return is Complete" page, select "Add State Return(s)".
4. Select Michigan as the State return, hit Continue.
5. Then choose the return type, part year or nonresident.

Alternatively, to prepare a part-year or nonresident Michigan return, you could change the residency status on the State Return page, but you will lose any information previously entered in the Michigan return. The best practice is to select "None" as the resident state on the Personal Information page.

REJECTED RETURNS

Please note that the Main Office will handle rejected returns for the volunteer-led tax sites. If you have any questions, please contact Kathy Holka.