

**Accounting Aid Society**  
**Site Coordinator Update – March 15, 2025**

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**Form 13614-C – Household Information**

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A reminder again to properly complete the bottom section on page 1 of Form 13614-C, Intake/Interview and Quality Review Sheet, with accurate household information. As discussed in a previous update, and as indicated on the form, **everyone** who lived with the taxpayer during the tax year **must be listed**. It should also include anyone the taxpayer supported but who did not live with them.

This section should not be used only to list dependents. We have seen instances recently where adults who lived with the taxpayer were not listed and, therefore, the returns were not completed correctly, including the Michigan credit claims. If another adult(s) lived with the taxpayer, follow up questions would be needed.

- For the federal return, to determine:
  - If any other individual(s) listed in this section could be the qualifying child or relative of the other adult,
  - If the other adult can be claimed as a dependent or if the taxpayer can be claimed as their dependent, and
  - The correct filing status, especially when determining if the taxpayer qualifies for head of household.
  - Additionally, if the taxpayer had a child who lived with them, but he or she is being claimed on another person’s return, that child should also be listed on Form 13614-C with a notation that someone else is claiming them.
- For the Michigan credit claims, to determine:
  - If the other adult is an eligible homeowner or renter to claim the credits, and/or
  - If the other adult made gifts of cash to the taxpayer or paid any expenses on their behalf (includes all living expenses, not just household expenses).
  - Note: The other adult should be included on Line 17 of Form MI-1040CR-7. See page 7 of the instructions for the 2024 Home Heating Credit Claim. If the adult is not a dependent, see the bottom of the Home Heating Credit page in TaxSlayer.

**The screener/preparer** needs to conduct the interview in a way that will capture the information needed in this section of Form 13614-C. Suggest they start by saying something to the effect of, *“Now we need to list everyone who lived with you in 2024, both children and any adults.”* And also ask the second question about supporting anyone who did not live with them.

If there are no individuals to be listed in this section, the screener/preparer should write “None” at the bottom of page 1 to indicate that this section was discussed with the taxpayer.

**The quality reviewer** should review this section carefully and always ask a follow up question during the review to ensure no one has been left off of the intake/interview sheet.

## **Estimated Taxes – When to Advise Taxpayers to Make Estimated Payments for 2025**

The penalties can be significant if estimated tax payments are not paid; therefore, we should be advising clients in situations where estimated tax payments are required. At this point of the tax season and through April 15, we will likely see more clients who owe tax. Please follow the guidance below:

1. If the taxpayer has any of the following tax due amounts on their 2024 tax return:
  - **Federal** – Tax due is \$1,000 or more,
  - **Michigan** – Tax due is more than \$500,
  - **Detroit** – Tax due is more than \$100, and/or
  - **Hamtramck, Highland Park and Pontiac** – Tax due is \$100 or more,

And it is estimated that the amount of their 2025 income less deductions and any credits will be the same as 2024 or higher:

- a. The taxpayer should first attempt to increase any income tax withholding(s).
- b. If tax withholding(s) cannot be increased, advise the taxpayer to make quarterly estimated tax payments and complete the applicable estimated tax vouchers for them.
- c. Also advise the client that penalty and/or interest may be assessed by the taxing authority on the underpayment of tax on their 2024 tax return(s).

Note: Determining if a penalty is owed on underpayment of estimated taxes is out of scope for VITA. Do not complete Form 2210 (Underpayment of Estimated Tax by Individuals, Estates and Trusts), MI-2210 (Michigan Underpayment of Estimated Tax), or the comparable city forms.

2. Be aware of the following information when determining estimated tax payments:

To avoid penalty and interest charges on the 2025 tax return, a certain amount of tax must be paid through withholdings and/or estimated tax payments.

  - **Federal** – The smaller of 90% of the 2025 tax after credits or 100% of the 2024 tax after credits.
  - **Michigan** – The smaller of 90% of the 2025 income tax less refundable credits or 100% of the 2024 income tax less refundable credits.
  - **Michigan Cities** – At least 70% of the 2025 or 2024 tax liability, whichever is lower.

### **3. Suggested guidance for determining quarterly estimated tax payments:**

- Federal and Michigan Tax Returns:
  - If it is estimated that the 2025 tax due amount will be relatively the same as in 2024, divide the 2024 tax due amount by four and use that amount for the quarterly payments.
  - If it is estimated that the 2025 tax due amount will be more than the 2024 tax due amount (i.e., higher income and/or less exemptions, deductions or credit amounts in 2025), download and complete the applicable estimated tax worksheet found in the instructions for the following forms to determine the quarterly payments:
    - 2025 Form 1040-ES, Estimated Tax for Individuals
    - 2025 Form MI-1040ES, Michigan Estimated Income Tax for Individuals

- City Tax Returns:
  - If it is estimated that the 2025 tax due amount will be relatively the same as in 2024, multiply the 2024 tax due amount by 70%. Divide the result by four and use that amount for the quarterly payments.
  - If it's estimated that the 2025 tax due amount will be more than the 2024 tax due amount (i.e., higher income and/or less exemptions, deductions or credit amounts in 2025), download and complete the applicable estimated tax worksheet found in the instructions for the following forms:
    - Detroit – 2025 Form 5123, City Estimated Income Tax for Individuals
    - Other Cities – Visit the city web site to find the 2025 estimated tax vouchers and instructions. A link for each city can be found at: <https://www.michigan.gov/taxes/iit-forms/city-income-tax-forms> .

### **TaxSlayer Entries**

To enter quarterly estimated tax payments for 2025 in TaxSlayer, follow the instructions below for TaxSlayer Pro Online 2024:

- For Federal Estimated Tax Payments
  - Federal > Payments & Estimates > Vouchers for 2025 Estimated Tax Payments
- For Michigan Estimated Tax Payments
  - Michigan Return > Miscellaneous Forms > Estimated Payment Vouchers, Form MI-1040ES
- For Detroit Estimated Tax Payments
  - Michigan Return > City of Detroit Return > Resident Return, Part-Year Resident Return or Nonresident Return > Detroit Miscellaneous Forms > Form 5123 Detroit Estimated Payment Vouchers
- For Estimated Tax Payments for Other Cities
  - The estimated tax payment vouchers for cities other than Detroit are not available in TaxSlayer. Find the estimated tax vouchers and instructions by going to the city's web site. A link for each city can be found at: <https://www.michigan.gov/taxes/iit-forms/city-income-tax-forms> .
  - Enter the quarterly payment amounts on the downloaded or printed form.
  - Enter a Note in TaxSlayer that city estimated tax vouchers were printed and completed for the client, and indicate the amount of the quarterly estimated tax payments.

### **Final Steps**

- Provide the client with the completed 2025 payment vouchers either through TaxSlayer or, in the case of cities other than Detroit, from the city web site.
- If the estimated tax worksheet was used to determine any quarterly estimated tax payments, give the worksheet to the client for their records.
- Make sure the client is aware of the due dates for each quarterly payment and give them mailing envelopes with the applicable mailing label/address on them.

**IMPORTANT:** For clients who should make estimated tax payments for 2025, please take the time to complete the estimated tax vouchers. It is part of the service we should provide when preparing their 2024 tax return to help them avoid any future penalties and interest.