

**Accounting Aid Society**  
**Site Coordinator Update – January 29, 2022**

**In case of inclement weather, please check Accounting Aid Society’s website for site closures.**

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**Volunteer Tax Alerts**

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Two Volunteer Tax Alerts (VTAs) were issued by the IRS in November 2021, both dealing with certification testing. The alerts are listed below; please share the information with volunteers who are still going through the certification process.

- [VTA 2022-01. Form 6744. VITA/TCE Volunteer Assistor's Test/Retest Corrections](#)
- [VTA 2022-02. Certification Testing and Using Form 6744 - UPDATE](#)

The IRS issues VTAs throughout the tax season. They are available on our Resources page at [www.accountingaidresources.org](http://www.accountingaidresources.org) and in the IRS Site Coordinator Corner at <https://www.irs.gov/individuals/quality-and-tax-alerts-for-irs-volunteer-programs>.

**Accounting Aid Society’s Resources Page**

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On Accounting Aid Society’s Resources page – <https://www.accountingaidresources.org> – there are many reference materials and resources useful for site operations and the tax preparation process, including the required federal reference materials, IRS Publications 17 and 4012. On the landing page, click on Resources, then Tax Preparer Resources (<https://www.accountingaidresources.org/taxresources>). Please familiarize yourself with the information available on the page and share with your staff and volunteers.

New this year: Accounting Aid’s **Site Manual** will be located on the Resources page. There will no longer be a binder in the Site Boxes. This allows us to update the material and have it available for you in a more timely manner.

**Site Administration**

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**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](http://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.

## **INCOME GUIDELINE**

The income guideline for having taxes prepared at an Accounting Aid Society tax site is \$57,000 or less for all taxpayers, both individuals and families. Please be sure to adhere to this income limit. 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.

## **“SHARE YOUR STORY” DISPLAY**

The Site Boxes contain copies of a “Share Your Story” document that includes a QR code. Please place one of these documents at each workstation so it is visible to the taxpayer. (Suggestion: Tape it to the sneeze guard/Plexiglas.) Let your staff and volunteers know about the document and to ask taxpayers to scan the QR code to tell us how our services helped them.

## **IRS Publication 4491-X, VITA/TCE Training Supplement (2021 Returns)**

IRS Publication 4491-X has been issued and contains corrections and updates to Publication 4012 and Publication 4491, in addition to other IRS materials. At the time of this Site Coordinator Update, the electronic version of Pub 4012 had not been updated to reflect the changes listed in Pub 4491-X.

When referencing Pub 4012, you *must* review Pub 4491-X to see if there have been any changes to the information presented in the 4012.

(Note: Hard copies of Publication 4012 are in the Site Boxes. If time permits at your tax site, you can print the replacement pages from Publication 4491-X and insert them in the 4012.)

## **Michigan Issues**

### **MICHIGAN INTAKE/INTERVIEW SHEET – TOTALLY AND PERMANENTLY DISABLED CHECKBOX**

We wanted to provide clarification for the totally and permanently disabled question on Accounting Aid Society’s Michigan Intake/Interview Sheet (AAS Part II, Michigan Exemptions, question #1). The law for tax year 2021 is if an individual was age 66 by October 31, 2021, an exemption for totally and permanently disabled may NOT be claimed.

The checkbox on the Michigan intake sheet has the following wording:

Totally and Permanently Disabled (DOB on or after 11/01/1955)

Please make sure your staff and volunteers have an understanding of the tax law for 2021 and instruct that the checkbox should be marked (and the exemption for totally and permanently disabled claimed) only if the individual was born on or after November 1, 1955. (That is, they were not age 66 by 10/31/2021).

## **RENT ISSUES**

Michigan's COVID Emergency Rental Assistance (CERA) program – Three types of assistance available to renters who have experienced a COVID hardship:

- Rental assistance – payment to the landlord or to the tenant if the landlord has opted-out of the program
- Utility assistance – payment to the utility provider or to the tenant if the utility provider has opted-out of the program
- Internet stipend -- \$300 payment made to either the Internet service provider or the tenant

Guidance regarding CERA payments:

- Payments made under the CERA program are not taxable.
- If payments were made to the landlord and/or utility/Internet provider, the payments are not included in total household resources.
- Regarding payments made to the tenant for any of the three types of assistance, we are waiting for guidance from Michigan Department of Treasury as to whether the payments should be included in total household resources.
  - o **Please hold** filing of Michigan Homestead Property Tax Credit Claims and Home Heating Credit Claims where the tenant has received payment under the CERA program. Include a Note in TaxSlayer.

### Past-Due Rent

It's anticipated that we may see various scenarios at the tax sites where renters may not have been able to pay all of their rent in 2020, and in 2021 they were able to pay some or all of the past-due rent. We are waiting for further guidance from Michigan Department of Treasury on some questions we have on the matter, but here is what they have indicated:

- Only up to 12 months' rent may be claimed.
- If a renter has paid past-due rent in a subsequent year, they may not get credit for rent paid the following year for a prior year. E.g., if the renter paid past-due rent from 2020 in 2021, they cannot claim the past-due rent on their 2021 Michigan Homestead Property Tax Credit Claim.

Please contact us if you encounter past-due rent payments and have questions on how to handle the situation for the property tax credit.

### **AUTO PIP**

Due to the recent law changes effective July 1, 2020, where an insured person can reduce coverage or opt out of Auto PIP (personal injury protection), Michigan Department of Treasury:

- Is not providing an allowable medical insurance deduction amount for those with auto PIP, and indicates the
- Taxpayer has to provide the amount for the medical care portion of their PIP

Auto PIP in Michigan covers medical expenses, lost wages, survivor losses, and a certain amount per day for replacement services. The portion of PIP that is for medical care coverage can be deducted on the Michigan credit claims as medical insurance. The medical care portion premiums must be clearly identified on the auto insurance policy.

Note: Accounting Aid has removed the question regarding auto insurance from our Michigan Intake/Interview Sheet.

### **MICHIGAN SERVICE FEE HOUSING AND EXEMPT HOUSING LISTS**

Michigan Department of Treasury has indicated that they will provide a 2021 Service Fee Housing database along with the Exempt Housing list; however, the lists have not yet been posted to Treasury's website. In the meantime, when preparing Homestead Property Tax Credit Claims for renters, use the 2019 lists which are posted on our Resources page. The lists should be referenced often.

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 property manager and/or building owner for clarification. They can also contact the Assessor's office for their city/township. It is ultimately the filer's responsibility to find out for certain the property tax status of the property – taxes were levied, a service fee was paid in lieu of taxes, or the housing was exempt from paying property taxes.

## **2021 MILLAGE RATES**

A listing of the 2021 Michigan property tax millage rates has been posted to Michigan Department of Treasury's web site. This can be an alternate source for determining property taxes levied for the year. The homeowner must provide proof of the taxable value and the percentage of Principal Residence Exemption (PRE). You can access the 2021 list through a link on our Resources page or visit [www.michigan.gov/taxes](http://www.michigan.gov/taxes) and click on the Property Taxes tab.

## **TaxSlayer Issues**

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Form 8915-F, Qualified Disaster Plan Retirement Distributions and Repayments – Only Phase I of this form has been rolled out in TaxSlayer.

- In scope for VITA – If the taxpayer had a coronavirus-related retirement distribution in 2020 and elected to spread the income over three years, Form 8915-F is used in 2021 to report the ratable inclusion in income, and show any recontributions made up through the timely filing date of the tax return.
- If the 2020 return information is available in TaxSlayer (Form 8915-E), the input fields within Form 8915-F will populate automatically. **HOWEVER**, it's our understanding at this time that the preparer is not able to select the coronavirus disaster box on the form and that calculating the current year taxability and carrying those values to the 1040 does not happen in the software.
- **Please hold** the filing of returns where Form 8915-F needs to be completed. TaxSlayer has indicated that they are working on completing the roll out of this form.

### Submission Page – Marking the Return as Complete

At this time, additional steps are needed on the Submission Page in TaxSlayer before the return can be marked as Complete. We will work with TaxSlayer on the issue, but in the meantime:

- The Preparer should mark the box, "Ready for Review", and then "Save and Exit the Return."
- The return should be opened for Quality Review. After the return is reviewed, the box "Review Complete" should be marked, and the return closed (Save and Exit).
- The return will have to be opened one more time by the Quality Reviewer to mark the return "Complete".

See the attachment for a step-by-step guide to Reviewing and Marking Returns as Complete

### Rejected Returns

Please note that rejected returns prepared at our volunteer tax sites will be handled by the Main Office.