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## LADDER UP OVERVIEW



297,000 people have  
accessed \$529M in benefits



22,000 students have  
accessed an estimated \$285M  
in financial aid awards for college



Ladder Up has delivered  
financial education to  
**22,000**  
clients since 2011



More than **1,000**  
volunteers give their  
time and talent each year



For every **\$1** invested,  
Ladder Up returns  
**\$19** in benefits to clients

## Mission

Ladder Up is committed to helping hardworking families and individuals access the financial resources and tools they need to move up the economic ladder.

Since 1994, Ladder Up and its volunteers have provided free financial services to over **297,000 clients**, returning **\$529 million** in economic benefits.

## Programs

### **TAP (Tax Assistance Program)**

Ladder Up offers free tax preparation and electronic filing to taxpayers with low to moderate incomes to help them secure valuable tax refunds. By engaging over **1,000 volunteers each year**, Ladder Up provides free tax help to clients at 15+ Chicagoland service locations. In 2017, Ladder Up prepared over **11,000 returns**, securing **\$17.5 million** in tax refunds for clients.

Ladder Up participates in the IRS Volunteer Income Tax Assistance (VITA) program.

### **LIFT (Life-Improving Financial Tools)**

#### ***Higher Education Access Initiative***

Ladder Up helps students secure financial aid for college through assistance with the Free Application for Federal Student Aid (FAFSA). The organization also provides pre- and post-FAFSA informational workshops and individualized support.

#### ***Financial Literacy Program***

Ladder Up helps individuals lay the foundation for financial stability by offering one-on-one financial coaching and financial workshops on topics including credit, banking, and consumer choices.

**Please encourage clients interested in LIFT services to call (312) 458-9105 or e-mail [LIFT@goladderup.org](mailto:LIFT@goladderup.org).**

# VOLUNTEER TRAINING, ROLES, AND CERTIFICATION

Per IRS rules, all volunteers must take the IRS Volunteer Standards of Conduct training and test, review the Intake and Interview PowerPoint, and sign the Volunteer Standards of Conduct Agreement every year before attending a volunteer session.

You can access these IRS prerequisites online. Additional training varies by role.

Role	Responsibilities
Site Leader	Manages site operations, clients, and volunteers. Site leaders need to attend a 3-hour site leader training every year and are strongly encouraged to certify at the Advanced level.
Intake/Interview Specialist	Checks in and screens clients, ensuring they are eligible for service and have all necessary documents with them. This role is crucial for smooth site operations. Online training lasts 1.5 hours and includes a short assessment.
Tax Preparer	Works one-on-one with clients to complete their federal and Illinois tax returns using Intuit ProSeries software. Tax volunteers can choose to train and certify at the IRS Basic and/or Advanced level. Training lasts approximately 4-5 hours.
Quality Reviewer	Reviews and finalizes completed federal and Illinois tax returns. Tax preparers who train and certify at either the Basic or Advanced level are qualified to review returns.
Interpreter	Assists volunteers in working with Spanish-speaking clients. Some sessions may require Polish and Chinese interpreters (contact us for more details). Interpreters are required to take the Intake Specialist training and assessment.

## SERVICE LOCATIONS

All Tax Assistance Program sites will be open every Saturday from 9am-12pm from January 27 through April 17, 2018, unless otherwise noted.

### CHICAGO

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#### **-Loop-**

##### **Harold Washington Library**

400 S. State, 7<sup>th</sup> Floor

Mon-Thur 1pm-7pm

Fri & Sat 10am-1pm

Open starting Mon, 1/22

Closed 2/12, 2/19, 3/5

#### **-Northwest-**

##### **Chicago Public Library – Richard M. Daley (W. Humboldt)**

733 N. Kedzie

Sat, 9:30am-12:30pm

##### **WIC Food Center – Armitage**

3110 W. Armitage

Tue, 5pm-8:30pm

Closed 4/17

##### **WIC Food Center – Diversey**

4620 W. Diversey

Mon & Wed 12pm-7pm

(closed on weekdays in Mar)

Also open Tues, 4/17, 12pm-7pm

Closed 2/19

##### **Wilbur Wright College**

4300 N. Narragansett

Fri 10am-4pm

Closed 3/30, 3/31

#### **-South-**

##### **WIC Food Center – Western**

5332 S. Western

Thur 12pm-6pm

(closed on weekdays in Mar)

##### **Kennedy-King College**

747 W. 63<sup>rd</sup> (Building V)

Wed 10am-4pm

##### **Olive-Harvey College**

10001 S. Woodlawn

Fri 10am- 4pm

Closed 3/30, 3/31

#### **-West-**

##### **Chicago Public Library - Austin**

5615 W. Race

Sat, 9:30am-12:30pm

#### **-Southwest-**

##### **Benito Juarez Community Academy**

1510 W. Cermak

Closed in March

##### **WIC Food Center – Kedzie**

2400 S. Kedzie

### SUBURBS

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##### **Aurora: Cowherd Middle School**

441 N. Farnsworth

##### **Addison: DeVry Education Group**

1221 N. Swift

##### **Cicero: Unity Junior High School**

2100 S. Laramie

##### **Melrose Park: Our Lady of Mt. Carmel - Casa Esperanza**

1116 N. 22<sup>nd</sup>

Closed 3/31

##### **Plainfield: Plainfield Township Community Center**

15014 S. Des Plaines

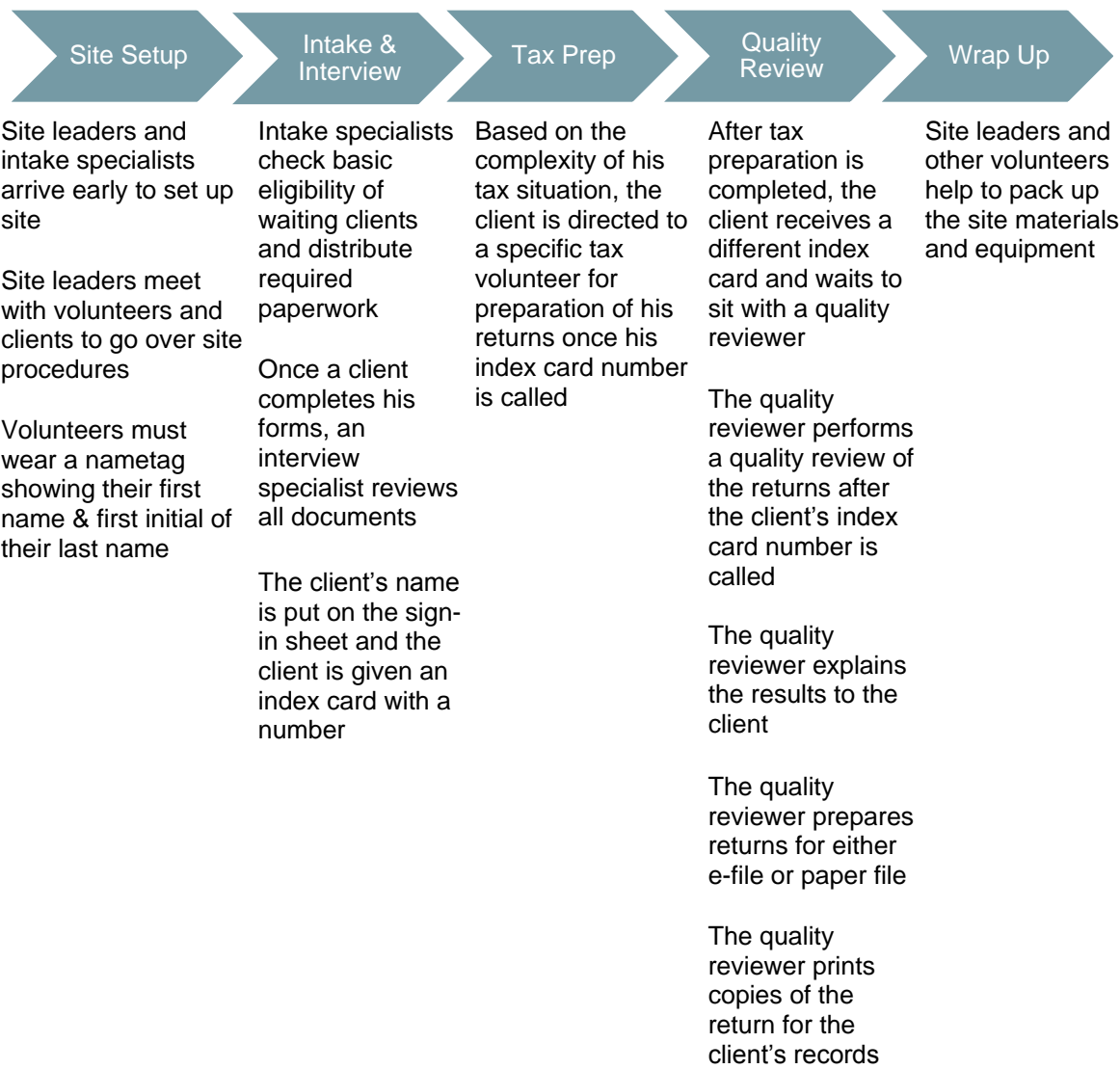
## CLIENT INTAKE

Review the Intake Sheet (Form 13614-C) carefully to ensure the client's answers to the questions are clear. If anything is unclear, ask about it.

Social Security Cards & Photo ID	A client must bring original Social Security cards (or ITIN letters) for all individuals on the tax return.  A client must bring photo ID for herself and her spouse (if applicable).
Income Guidelines	Households earning up to \$55,000 annually Individuals earning up to \$30,000 annually
Income Documents	A client needs to bring <b>all</b> W-2s and 1099s for jobs she and/or her spouse worked last year, as well as documentation for Social Security payments, unemployment, interest income, and any pensions or retirement income.
Supporting Information	Expenses related to self-employment, also mortgage interest statements, property tax bills, student loan interest, tuition, college expenses, etc.
Rental Income	We do not prepare returns for clients with rental income. Rental income is out of scope for the VITA program.
Child Care Expenses	An EIN (Employer Identification Number) or SSN (Social Security Number) for the child care provider is necessary to claim the Child and Dependent Care Expenses Credit.
E-File Tax Returns	The client and spouse (if applicable) must sign Form 8879 (IRS e-file Signature Authorization) and IL-8453 (Illinois e-file Signature Authorization) in order to electronically file their tax return.

# SITE OPERATIONS

Each tax site has unique qualities, but general operations are the same. Here are some of the standard activities and procedures which all volunteers should follow.





## WHAT'S NEW

Below are highlights of some of the notable changes for tax year 2017.

### Due Date of Tax Return

The due date for tax year 2017 returns is Tuesday, April 17, 2018.

### Important PATH Act Reminders

Credits affected:

- American Opportunity Tax Credit (AOTC)
- Additional Child Tax Credit (ACTC)
- Earned Income Tax Credit (EITC)

1. **Claiming these credits retroactively.** Taxpayers cannot file returns claiming these credits using a SSN issued after the year for which the credit is being claimed.
2. **Refund delays.** The IRS will hold the refunds on EITC- and ACTC-related returns until Feb. 15th. This delay gives the IRS additional time to help prevent revenue lost due to identity theft and refund fraud.

The IRS still expects to issue most refunds in fewer than 21 days.

3. **American Opportunity Tax Credit (AOTC) specifics.** Taxpayers are now required to report the Employer Identification Number of the educational institution to which they make qualified payments. Additionally, higher education institutions are now required to report only qualified tuition and related expenses *actually paid* on Form 1098-T, Tuition Statement.

**Note: Schools were granted another one-year extension to change their reporting to Box 1 (Payments Received). You will continue to see Form 1098-T with Box 2 (Amounts Billed) filled in.**

## **Standard Deduction Increases**

The standard deduction for taxpayers who do not itemize deductions on Schedule A has increased. The standard deduction amounts for 2017 are:

- \$12,700 – Married Filing Jointly or Qualifying Widow(er) (increase of \$100)
- \$9,350 – Head of Household (increase of \$50)
- \$6,350 – Single or Married Filing Separately (increase of \$50)

## **Personal Exemption Amount**

The amount a taxpayer can deduct for each exemption is unchanged at \$4,050 for 2017.

## **Shared Responsibility Payments**

For 2017, the annual payments for individuals that do not have minimum essential coverage or an exemption will be whichever is greater:

- 2.5% of the household income
- Or
- \$695 per adult
  - \$347.50 per child (under 18 years of age)
  - \$2,085 per family limit

## **Earned Income Credit (EIC)**

For 2017, the maximum credit is:

- \$6,318 with three or more qualifying children
- \$5,616 with two qualifying children
- \$3,400 with one qualifying child
- \$510 with no qualifying children

To be eligible for a full or partial credit, the taxpayer must have earned income and adjusted gross income of at least \$1 but less than:

	<b>Qualifying Children Claimed</b>			
<b>If filing</b>	Zero	One	Two	Three or more
Single or HOH	\$15,010	\$39,617	\$45,007	\$48,340
Married Filing Jointly or QW	\$20,600	\$45,207	\$50,597	\$53,930

### **Electronic Filing Reminder**

Ladder Up is able to e-file current-year tax returns and one year prior for both state and federal returns. Amended returns cannot be e-filed.

### **Itemized Deductions**

- Taxpayers can deduct the amount of qualifying medical expenses that exceeds 10% of their adjusted gross income (AGI). For tax year 2016, there was an exception for taxpayers age 65 and older. They could deduct medical expenses that exceeded 7.5% of AGI. That exception has expired and starting with tax year 2017, all taxpayers have to exceed the 10% threshold.
- As a reminder, the PATH Act made the deductions for State and local general sales tax permanent. Taxpayers who itemize have a choice: deduct state income tax or sales tax on Schedule A.
- Mortgage insurance premiums are no longer deductible.
- For homeowners in Chicago: If the homeowner received a special one-time rebate on City of Chicago taxes last year, refer to the instructions in the volunteer manual regarding Schedule A to see how to include the rebate information on the return.

### **Adjustments to Income**

- The definition for qualified expenses for educator expenses has changed to include the cost of professional development courses.
- The tuition and fees adjustment has expired for tax year 2017.

### **Other Expired Provisions**

- Nonbusiness energy property credit (residential energy credit – Form 5695).
- Exclusion of cancelled qualified principal residence debt.

### **ITINs Set to Expire**

If a taxpayer, spouse, or dependent has an Individual Taxpayer Identification Number (ITIN) with the following middle digits, their ITIN is expired:

- 70, 71, 72
- 78, 79, 80

For example, if a client has the ITIN 9XX-70-XXXX, the ITIN will have to be renewed before the tax return is filed. Ladder Up can assist affected clients in preparing renewal applications. **Advise clients to contact us at [ITIN@goladderup.org](mailto:ITIN@goladderup.org) or (312) 995-1140 to schedule an appointment.**

### **State of Illinois Updates**

- Illinois increased the income tax rate from 3.75% to 4.95% effective July 1, 2017.
- The Earned Income Tax Credit for Illinois has increased from 10% to 14% of the federal Earned Income Tax Credit.
- The exemption amount for Illinois remains unchanged at \$2,175.
- Instructional Materials Credit is a new credit is nonrefundable up to \$250 for amounts paid for instructional materials and supplies with respect to
- The maximum amount of the K-12 education expense credit has increased to \$750 per family.

## WHO SHOULD FILE A FEDERAL RETURN?

Taxpayers may not know which filing status to use. For the purpose of determining whether a person must file a return, narrowing the choices down to the *most likely* filing status is adequate in most cases. If the taxpayer doesn't know his filing status, use the chart on page 23 to help him determine the most likely status.

### Chart A – For Most People Who Must File

If you may be claimed as a dependent by another taxpayer, you must file as a dependent whether you are being claimed or not. See Chart B for filing requirements.

If your filing status is...	AND at the end of 2017 you were...*	THEN file a return if your gross income was at least...**
Single	under 65	\$10,400
	65 or older	\$11,950
Married filing jointly***	under 65 (both spouses)	\$20,800
	65 or older (one spouse)	\$22,050
	65 or older (both spouses)	\$23,300
Married filing separately (see the instructions for Form 1040, line 3)	any age	\$ 4,050
Head of household (see the instructions for Form 1040, line 4)	under 65	\$13,400
	65 or older	\$14,950
Qualifying widow(er) (see the instructions for Form 1040, line 5)	under 65	\$16,750
	65 or older	\$18,000

\* If you were born on January 1, 1953 you are considered to be age 65 at the end of 2017. (If your spouse died in 2017 or if you are preparing a return for someone who died in 2017, see Pub. 501)

\*\* **Gross income** means all income you received in the form of money, goods, property, and services that isn't exempt from tax, including any income from sources outside the United States or from the sale of your main home (even if you can exclude part or all of it).

- Do not include any social security benefits unless
  - (a) you are married filing a separate return and you lived with your spouse at any time in 2017 or
  - (b) one-half of your social security benefits plus your other gross income and any tax-exempt interest is more than \$25,000 (\$32,000 if married filing jointly).
 If (a) or (b) applies, see the instructions for lines 20a and 20b to figure the taxable part of social security benefits you must include in gross income.
- Gross income includes gains, but not losses, reported on Form 8949 or Schedule D.
- Gross income from a business means, for example, the amount on Schedule C, line 7, or Schedule F, line 9. But, in figuring gross income, do not reduce your income by any losses, including any loss on Schedule C, line 7, or Schedule F, line 9.

\*\*\* If you did not live with your spouse at the end of 2017 (or on the date your spouse died) and your gross income was at least \$4,050, you must file a return regardless of your age.

Individuals who do not have a filing requirement based on this chart should also check Chart C, Other Situations When You Must File, and Chart D, Who Should File. Individuals with earned income but who do not have a filing requirement may be eligible for the Earned Income Credit.

# TAX RETURN PREPARATION CHECKLIST

- ☐ STEP 1 Open ProSeries and turn CAPS LOCK on.
  - If the client had their return prepared by Ladder Up last year, you will transfer their file forward. See instructions on page 18 or ask your site leader for help with this process.
  - If the client did not have their return prepared by Ladder Up last year, start a new client file.
- ☐ STEP 2 Complete the Federal Information Worksheet using Form 13614-C (IRS Intake Sheet).

**Note: Skip Parts V, VII, IX, XI, and XII**

Part I – Personal Information (enter names exactly as they appear on Social Security cards or ITIN letters)

Part II – Filing Status (use decision tree on page 23 in mini-manual). **Note:** Find out if they were ever married – if they do not have legal paperwork for a separation or divorce, they may still be considered married.

Part III – Dependents (if applicable – use tests on page 25 in mini-manual)

- Code “O” indicates a Qualifying Relative (see chart)
- Code “Q” commonly describes someone who lives with the taxpayer but for whom the taxpayer does not provide more than half of the support

**Note:** Find out if the client lives with anyone else to determine if they truly pay >50% of household expenses and that no one else can be claimed as a dependent. Be sure to complete the grey boxes on Form 13614-C.

Part IV – Earned Income Tax Credit (EITC) Information – ask the client these questions

Part VI – Confirm e-file or paper file with the client (only current-year and one-year-prior returns can be e-filed. Amendments cannot be e-filed)

Part VIII – Direct Deposit (if applicable, otherwise leave blank)

Part X – Additional Return Information (begin with “Dependent of Someone Else” through “Credit for Elderly or Disabled”)

- ☐ STEP 3 Complete Healthcare Worksheet (see page 38 in mini-manual).

**Note:** Some clients may be eligible for an affordability exemption – ask your site leader if you think your client qualifies. Clients with ITINs qualify for code C exemptions. Be sure to complete the grey boxes on Form 13614-C regarding Minimum Essential Coverage (MEC).

- ☐ STEP 4 Enter all tax documents provided by the taxpayer. Double check Form 13614-C to make sure all types of income are accounted for. We cannot prepare a return with missing documents.
- All common forms are found on the left-hand side under “Common Forms”.
  - You can always use “Where Do I Enter?” to find the correct place to enter the information.
  - Generally, all boxes on tax documents that contain numbers have to be entered into ProSeries.
  - ProSeries will indicate required fields in red.

**Note:** If the client has income from a state other than Illinois, ask the site leader for further guidance.

- ☐ STEP 5 Enter any relevant deductions and credits.

***ProSeries automatically calculates most credits and deductions. However, you will have to indicate a taxpayer’s eligibility for certain credits and deductions.***

Itemized Deductions on Schedule A: Schedule A is commonly used by taxpayers who own a home and pay real estate taxes. Taxpayers typically know if they itemize and will have proof of all relevant expenses. ProSeries will always take the most advantageous deduction for the taxpayer (standard deduction vs itemized deduction)

Miscellaneous:

Deduction	(If applicable) In ProSeries, complete:
Child & Dependent Care Expenses	Indicate on Federal Information Worksheet, Part III – Dependents**
IRA Contribution Deduction	IRA Contributions Worksheet

\*\*Supplemental forms will open that will need to be completed

- ☐ STEP 6 Address all errors that have populated

**Note:** Select “No Taxpayer ID” on the Identity Verification Worksheet

For help with completing Form 8867 (Paid Preparer’s Due Diligence Checklist), see page 34 of the mini-manual

- ☐ STEP 7 Prepare the Illinois tax return by clicking the “ST” button on the top toolbar. Correct any errors that appear.
  - IL Property Tax Credit - You will have to enter the Property Identification Number (PIN) of the client’s house on Schedule ICR. The PIN is found on the property tax bill or by visiting the County Assessor’s website and entering the client’s address.
  - IL Use Tax – Ask the client if they bought anything for use in Illinois on which they did not pay Illinois sales tax. Enter the total amount of untaxed purchases. Most clients will tell you they didn’t make any such purchases.
  - K-12 Education Expense Credit – Enter qualified expenses on Schedule ICR.
- ☐ STEP 8 Save the client’s file in the designated site folder on the Z:\ drive, outside of the date folder.
- ☐ STEP 9 Complete the preparer sections of the TAP Client Data Sheet and sign the last page of Form 13614-C. File name will default to the first four letters of the taxpayer’s last name and the last four digits of their Social Security number/ITIN.
- ☐ STEP 10 Give the client a blue index card to reserve a place in line for the checking process. Do not share refund amount with the client. The checker will review everything with them.
- ☐ STEP 11 Close out of the client’s file by starting a new file. The file you just completed cannot be quality reviewed if it is still open on your computer.



## Common Tax Forms

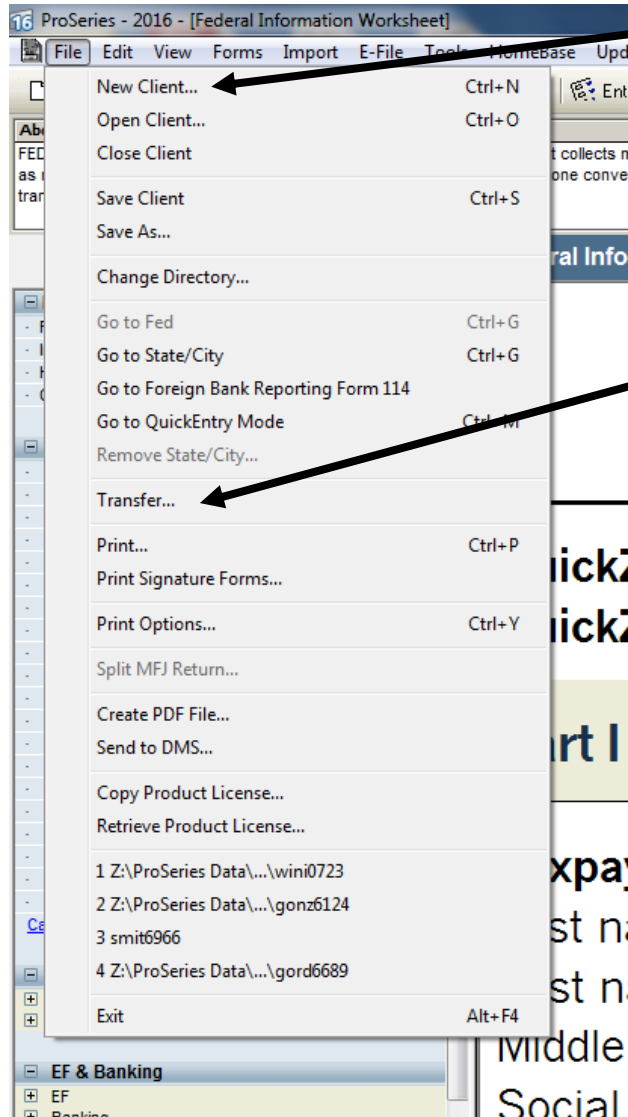
Client's Form	Description	In ProSeries, complete:
W-2	Wages and Salaries	W-2 Worksheet
1099-INT	Interest	Interest income Worksheet on Schedule B
1099-DIV	Dividends	Dividend Income Worksheet on Schedule B
1099-MISC**	Box 7: Non-Employee Compensation, Box 2: Royalties, or Box 3: Other Income	1099-MISC Worksheet – <u>Advanced Only</u>
1099-K**	Payment Card and Third-Party Network Transactions	Form 1099-K Worksheet – <u>Advanced Only</u>
1099-B	Capital Gain (or loss)	Schedule D – <u>Advanced Only</u>
1099-R	Distribution from IRAs or Distribution from Retirement Plans	1099-R Worksheet <i>If Box 2a is blank, use Simplified Method – <u>Advanced Only</u></i>
RRB-1099-R	Railroad Retirement Benefits	Social Security Benefits Worksheet <b>and</b> 1099-R Worksheet <i>If taxable amount is not determined, use Simplified Method – <u>Advanced Only</u></i>
1099-G	Unemployment Compensation or Taxable State Tax Refund	1099-G Worksheet <i>EIN is required for transferred files IL Unemployment Comp: 36-3042127 IL State refund: 37-6002057</i>
SSA-1099	Social Security Benefits	Social Security Benefits Worksheet
1095-A, B or C	Health Insurance Statement	Form 1095-A – <u>Advanced Only</u> 1095-B and C do not need to be entered
W-2G	Certain Gambling Winnings	Form W-2G Worksheet
1099-C	Cancellation of Debt	Form 1099-C – <u>Advanced Only</u>

1098-T**	Tuition Statement	1098-T Worksheet <i>This is not entered on the Student Info Worksheet. Check the box on the Federal Information Worksheet to indicate who has education expenses</i>
1098-E	Student Loan Interest	Student Loan Worksheet
1098	Mortgage Interest Statement	Form 1098

\*\*These forms will prompt supplemental forms to open that will need to be completed.

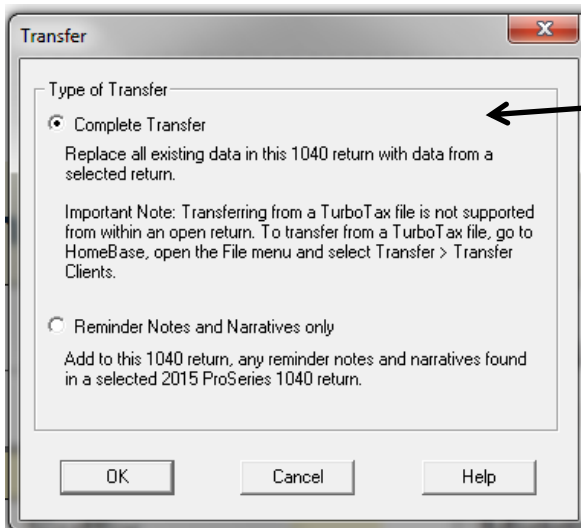
## TRANSFERRING CLIENT FILES

Note: you can only transfer forward if the client had their return by Ladder Up last year. For example, you can transfer a 2016 file forward to 2017 but you cannot transfer a 2015 file forward to 2017.



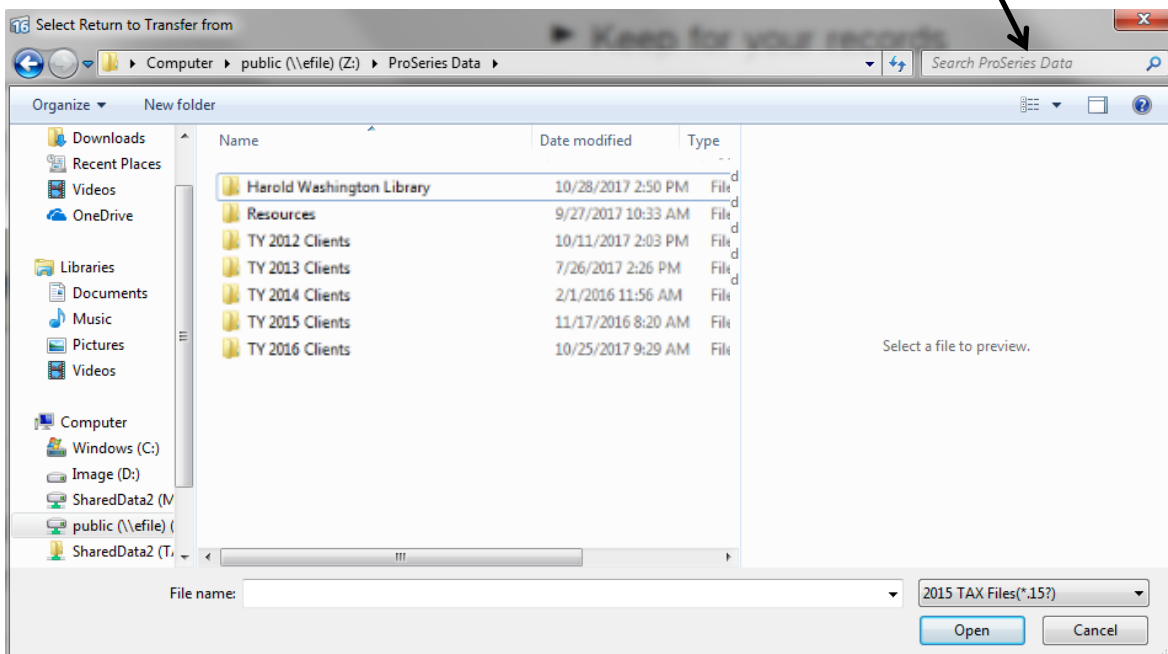
**Step 1:** Before transferring files, you **must** open a new file by clicking File > New Client. You will be presented with a new, blank screen. If this is not done, you will overwrite existing client information.

**Step 2:** Select File > Transfer

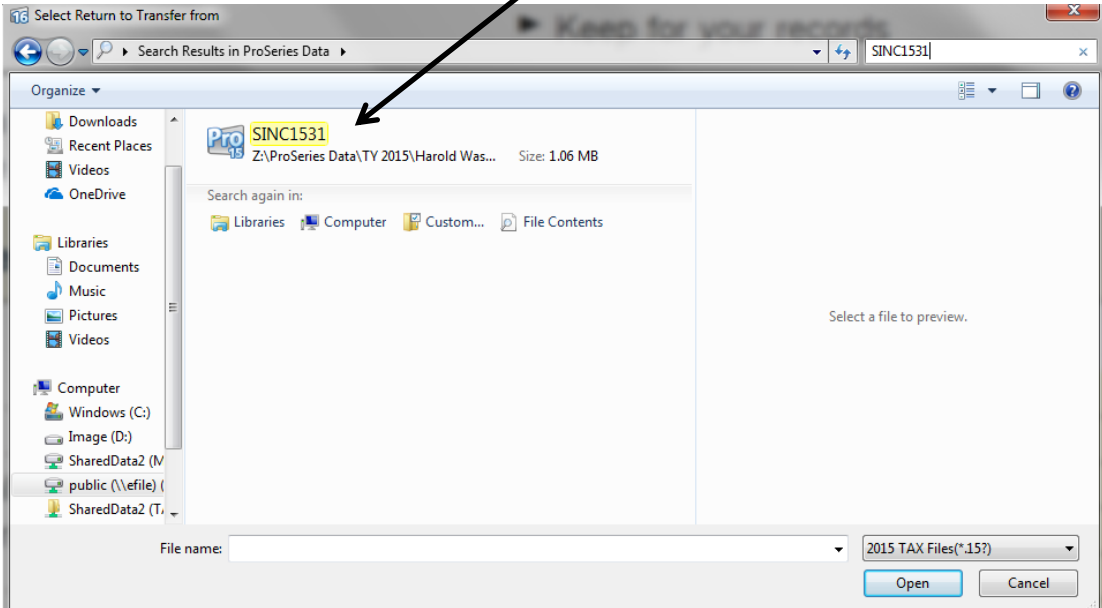


**Step 3:** When the next screen is presented with Complete Transfer selected, click OK.

**Step 4:** Search for the file name of the client which is always in the same format – first four letters of the last name + last four digits of the social or ITIN e.g. SMIT1234.



**Step 5:** If the client was served by Ladder Up last year their file will appear, click and it and click “Open”.



**Federal Information Worksheet** 2016

► Keep for your records

**QuickZoom to Form 1040** ..... ► QuickZoom

**QuickZoom to Client Status** ..... ► QuickZoom

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**Part I – Personal Information**

<b>Taxpayer:</b>		<b>Spouse:</b>	
Last name ..... SINCLAIR		Last name (if different) .....	
First name ..... VALERIE		First name .....	
Middle initial ..... Suffix .....		Middle initial ..... Suffix .....	
Social security no. .... 259-35-1531		Social security no. ....	
Occupation ..... MED ASSISTANT		Occupation .....	
Date of birth ..... 04/29/1968 (mm/dd/yyyy)		Date of birth ..... (mm/dd/yyyy)	
Age as of 1-1-2017 ..... 48		Age as of 1-1-2017 .....	

**Step 6:** The client's Federal and State Information Worksheet will prepopulate in green in a number of fields, however, be sure to go over this information with the client. Also, be sure to remove client tax documents from the prior year that are no longer relevant for the current tax year (for instance, if the client switched jobs).

A form can be removed by right clicking over the form in the Forms in Use Bar and selecting "Remove this Form".

**Where Do I Enter?** Form W-2 Worksheet (SUPPLY STORE)

**Forms In Use**

- Info Wks
- W-2 Wks (SUPPLY STORE)
- Client Billing

**Common Forms**

- Form 1040
- Info Wks
- Form 1040A
- W-2 Wks
- 1099-G Wks
- 1099-R Wks
- 1099-MISC Wks
- Social Sec

**Form 1040**

Remove W-2 Wks (SUPPLY STORE) Ctrl+W

Print this Form

Close Forms Bar

Forms Bar Help

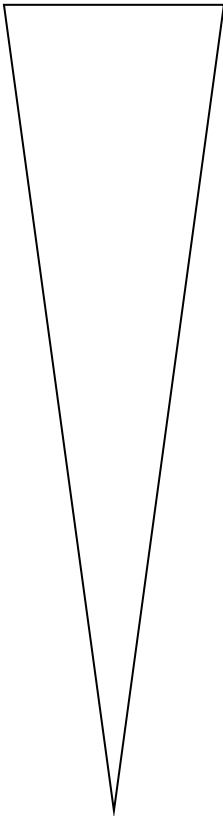
Revert to Default

**QuickZoom to another W-2 W**

# FILING STATUS

Taxpayers must use one of five filing statuses. Filing status impacts the calculation of income tax, affects the amount of the standard deduction, and determines allowance or limitation of certain credits and deductions. More than one filing status can apply to a taxpayer; use the one that will result in the highest standard deduction.

## Highest Deduction



### **Married Filing Jointly**

Married living together with or apart from his/her spouse, or if his/her spouse died during the tax year.

### **Qualifying Widow(er) with a Qualifying Child**

Widowed because his/her spouse died during 2015 or 2016, and with a qualifying child.

\*Note: child no longer has to be claimed as a dependent

### **Head of Household**

Unmarried (or considered unmarried\*) and pays more than half the cost of maintaining a home with at least one qualifying person.

### **Single**

Unmarried, divorced, widowed, or legally separated according to his/her state of law.

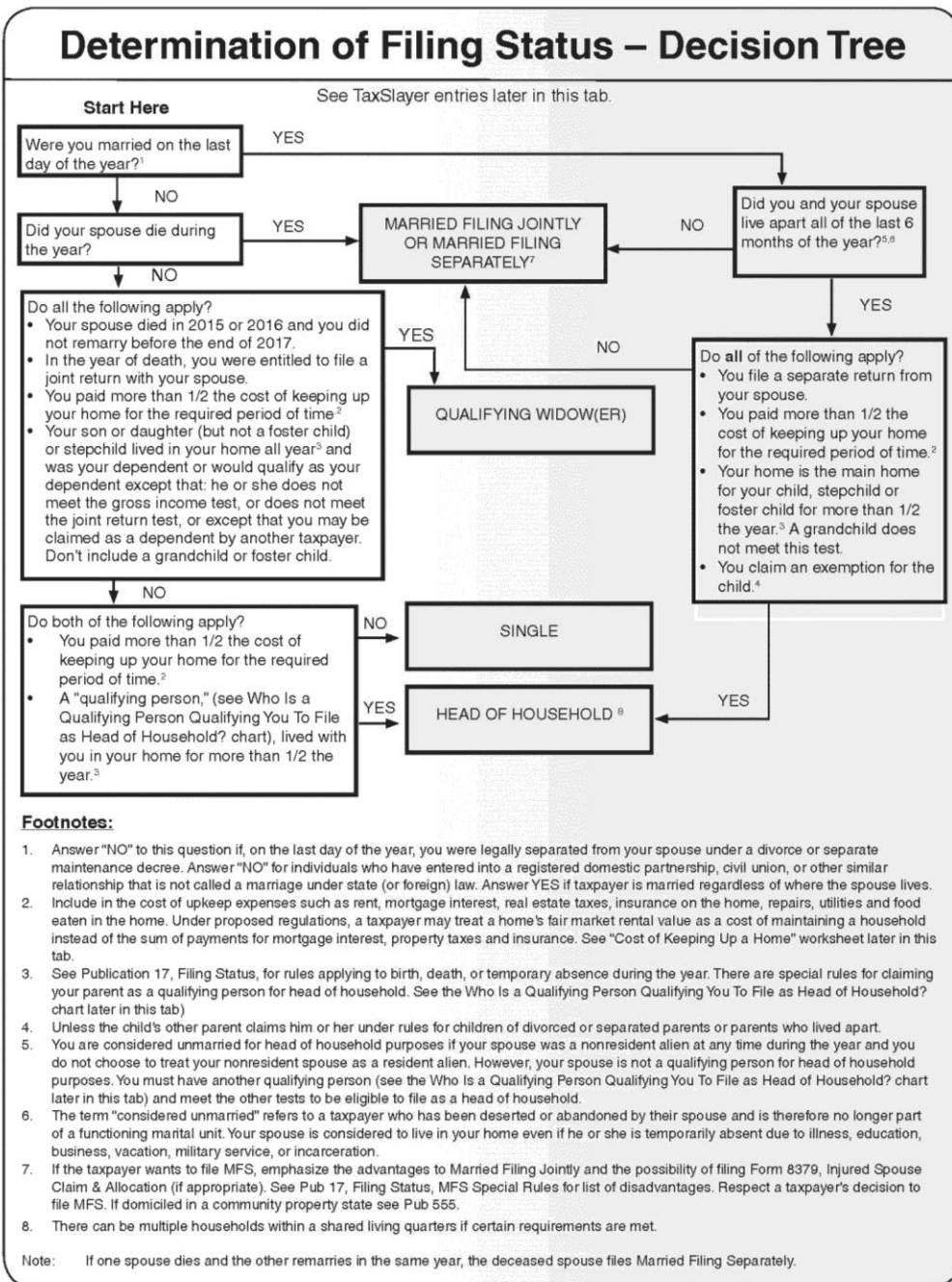
### **Married Filing Separately**

Married and living with, or apart from, his/her spouse

## Lowest Deduction

\* Spouse did not live in home for last 6 months of the year, qualifying person must be your child who lived in your home >½ year and for whom you can claim an exemption.

# DETERMINATION OF FILING STATUS – DECISION TREE





# DEPENDENTS & EXEMPTIONS

Each dependent must be entered into the Federal Information Worksheet, Part III. Each dependent results in an exemption for the taxpayer, which reduces the taxpayer’s taxable income. The deduction for each exemption is \$4,050 in 2017. There are two types of exemptions: personal and dependency.

## Personal Exemption

The taxpayer can claim a personal exemption for himself. If married, a personal exemption can also be claimed for the spouse if the couple is filing jointly.

Personal exemptions are not allowed for either the taxpayer or spouse if they **can** be claimed as a dependent by another person.

## Dependency Exemption

The taxpayer can claim one exemption for each dependent, with a dependent being classified as either a qualifying child or a qualifying relative.

Dependents cannot claim any exemptions for their own dependents.

If a taxpayer is divorced or legally separated at the end of the tax year, he cannot claim his (former) spouse’s exemption.

If the taxpayer’s spouse died during the year and the taxpayer did not remarry by December 31st, the taxpayer can generally claim the personal exemption for the deceased spouse and file married filing jointly. Read more on filing status in the *Volunteer Training & Reference Manual* and the section regarding Filing for a Deceased Relative.

# DETERMINING DEPENDENCY EXEMPTIONS

There are 4 tests for determining dependency:

## 1. Dependent Taxpayer Test

In order to claim a dependent, the taxpayer and/or spouse cannot be claimed on someone else's return.

## 2. Joint Return Test

You can't claim a married person who files a joint return as a dependent unless that joint return is only to claim a refund of income tax withheld or estimated tax paid.

## 3. Citizen or Resident Test

The dependent must be one of the following:

- U.S. citizen
- U.S. resident alien (for tax purposes)
- U.S. national
- Resident of Canada/Mexico (foreign exchange students do not meet this test)

*Exception: For a taxpayer who is a U.S. citizen or U.S. national and has legally adopted a child who is not a U.S. citizen, U.S. resident alien, or U.S. national, this test is met if the child lived with the taxpayer as a member of his household all year. This exception also applies if the child was lawfully placed with the taxpayer for legal adoption.*

A dependent is determined to be one of the following based on Relationship, Age, Residency, Support and other specific tests:

- A qualifying child
- A qualifying relative

## PART III CODES ON FEDERAL INFORMATION WORKSHEET

### **Dependent:**

Use information on the IRS Intake Sheet and the dependency exemption tests on page 27 to determine if the taxpayer can claim a person as a dependent.

**Code:** A dropdown menu appears for the type of dependent

**L:** Dependent child who lived with client

**N:** Dependent child who did not live with client due to divorce or separation (remember to apply tiebreaker rules if child lives between two households during the year)

**O:** Other dependent\*

**Q:** Not a dependent (but is a qualifying person for the EITC and/or the credit for child and dependent care expenses)\*\*

\*Other Dependent refers to a Qualifying Relative – see dependency table on page 27

\*\*This is commonly someone who lives with the primary taxpayer but for whom the taxpayer did not provide more than half of their support.

### **Earned Income Credit (EIC or EITC):**

A dropdown menu appears for the type of qualifying child for the Earned Income Tax Credit (EITC). For more information, see the dependency table on page 27.

**E:** Qualifying child

**H:** Qualifying child but also qualifies another person for EITC

**S:** Student age 19 to 23 and younger than taxpayer (enrolled in college at least part-time)

**D:** Disabled child age 19 or older, or disabled child older than taxpayer

**N:** Non-qualifying person

## Summary of Dependency Requirements For the Following Tax Benefits

The Question	Tax Benefit	Age	Relationship	Residency <sup>1</sup>	Support	Other
Can this person qualify as the taxpayer for Head of Household filing status?	Head of Household Filing Status with Qualifying Child	<19 (or <24 if a full-time student) and must be younger than the taxpayer, or <b>any age if disabled</b>	Child, stepchild, adopted or foster child, sibling, step sibling, or dependent of any of them	Lived >1/2 year with the taxpayer	Taxpayer provided >1/2 the cost of keeping up the home	Child cannot be claimed by another taxpayer for Head of Household filing status
	Head of Household Filing Status with Qualifying Relative (QR)	Any age	Descendant, ascendant, sibling, niece, nephew or in-law	Lived >1/2 year with the taxpayer <b>(not required if the QR is the taxpayer's parent)</b>	Taxpayer provided >1/2 the cost of keeping up the home	Relative's gross income cannot exceed \$4,050 <sup>2</sup> ; <b>income limit does not apply if dependent is disabled</b>
Can the taxpayer claim this person as a dependent?	Dependency Exemption for Qualifying Child - Code L	<19 (or <24 if a full-time student) and must be younger than the taxpayer, or <b>any age if disabled</b>	Child, stepchild, adopted or foster child, sibling, step sibling, or dependent of any of them	Lived >1/2 year with the taxpayer	Child provided ≤ 1/2 of his or her own support for the year	Child cannot be claimed by another taxpayer as a dependent
	Dependency Exemption for Qualifying Relative (QR) - Code O	Any age	If unrelated, then must have lived with the taxpayer for the entire year	Lived >1/2 year with the taxpayer	Taxpayer provided >1/2 the person's total support for the year	Relative's gross income cannot exceed \$4,050 <sup>2</sup> ; <b>income limit does not apply if dependent is disabled</b>
Can the taxpayer claim this child for the Child Tax Credit (CTC)?	Child Tax Credit	<17 and younger than the taxpayer	Child, stepchild, adopted or foster child, sibling, step sibling, or dependent of any of them	Lived >1/2 year with the taxpayer	Child provided ≤ 1/2 of his or her own support for the year	Taxpayers with ITINs can claim this credit; <b>child must be claimed as taxpayer's dependent</b>
Can the taxpayer claim this person for the Earned Income Credit (EIC)?	Earned Income Tax Credit (EITC/EIC)	<19 (or <24 if a full-time student) and must be younger than the taxpayer; or <b>any age if disabled</b>	Child, stepchild, adopted or foster child, sibling, step sibling, or dependent of any of them	Lived >1/2 year with the taxpayer	No support test required, except for married children who cannot provide more than 1/2 their own support.	Taxpayer must have lived in the US for at least half of 2017 and have a SSN; he also cannot be filing MFS

<sup>1</sup>Special rules for temporary absence, such as illness, education, business, vacation or military service

<sup>2</sup>Does not include Social Security Income

# DEDUCTIONS

On line 40 of the Form 1040, taxpayers may claim either the standard deduction or they can itemize their deductions. The vast majority of TAP clients will benefit from claiming the standard deduction.

## STANDARD DEDUCTION

If the total of all the client’s itemized deductions is less than the standard deduction, you will choose to use the standard deduction. The basic standard deduction is a reduction to adjusted gross income that varies according to filing status.

In some cases, the standard deduction can consist of two parts, the basic standard deduction and additional standard deduction for age or blindness or both.

The additional amount for age will be allowed if the taxpayer is **age 65** or older at the end of the tax year. A taxpayer who reaches age 65 on January 1st of any year is deemed to have reached that age on the preceding December 31st.

The additional amount for **blindness** will be allowed if the taxpayer is blind on the last day of the tax year. A certified statement from a doctor or registered optometrist will be required in order for a legally-blind taxpayer to claim the additional deduction amount.

Date of death .....	
Legally blind .....	<input type="checkbox"/>

If the client is legally blind, mark the box under their personal information in Part I of the Federal Information Worksheet

## DEDUCTIONS (Cont.)

Certain individuals are not entitled to the standard deduction:

- A married individual whose filing status is Married Filing Separately whose spouse itemizes deductions (unless one spouse qualifies to file as Head of Household)
- An individual who was a nonresident alien or dual-status alien during any part of the year (which is out of scope)

### **Standard Deduction Amounts\***

#### **Additional Deduction for Taxpayers who are 65 and Older or are Blind**

For 2017, the additional standard deduction for taxpayers who are 65 and older or blind is:

- \$1,550 – Single or Head of Household (no change)
- \$1,250 – Married taxpayers (no change)

Filing Status	Standard Deduction	Additional Amount
Single	\$6,350	\$1,550
Married Filing Jointly	\$12,700	\$1,250
Married Filing Separately	\$6,350	\$1,250
Head of Household	\$9,350	\$1,550
Qualifying Widow(er)	\$12,700	\$1,250

\*Do not use this chart if someone else can claim an exemption for the taxpayer (or his spouse if married filing jointly).

# ITEMIZED DEDUCTIONS

Itemized deductions are certain expenses that a taxpayer can use to lower his taxable income.

Deductions that can be itemized include (taxpayer must have a receipt or form of proof for each):

Medical and dental expenses (if in excess of 10% of the taxpayer’s adjusted gross income)

State and local income taxes

Home mortgage and investment interest

Real estate taxes and personal property taxes

Charitable contributions

Job expenses (union dues, equipment, safety gear and/or materials that cannot be worn for use outside of the job)

Miscellaneous deductions

\* Refer to the Screening section of the *Volunteer Training & Reference Manual* for itemized deductions that are out of scope

Itemized deductions are entered on Schedule A:

Schedule A  
(Form 1040)

Name(s) Shown on

Medical and Dental

1 Total medical expenses

2 Enter amount from Form 1040, line 1

Check if filing

3 Multiply line 2 by 10%

Schedule A – Itemized Deductions

Interest Paid (See instructions)

Mortgage Interest and Points Smart Worksheet

A Enter a description and amount of interest paid during the year. If the mortgage was sold, the lender's name will not transfer. Check the box if the mortgage was sold.  
Note: When the points must be allocated to the Other Points Smart Worksheet. If the interest deduction may be claimed on the QuickZoom to Deductible Home Mortgage Interest Worksheet, enter the amount on line 1 of that worksheet.  
Lender's Name/Company

Gifts to Charity

If the taxpayer made a gift and got a benefit for it, see instructions.

Cash Contributions Smart Worksheet

A Miles driven for charitable purposes:  
1 All miles for:  
a To perform charitable service  
b To deliver noncash contributions  
c Total. Add lines a and b

B Cash contributions, enter name of charity, type of charity, and amount:

Name of charity	Type	Amount

# CREDITS

Tax credits are dollar-for-dollar reductions that decrease a taxpayer's tax liability. There are two types of tax credits – nonrefundable and refundable.

## Nonrefundable Credits

Nonrefundable credits can only reduce tax liability – they cannot result in a refund.

**Example:** *If a taxpayer's tax liability is \$400 and the taxpayer qualifies for a \$500 education credit, the taxpayer **will not** receive a \$100 refund because the education credit is nonrefundable.*

## Common Nonrefundable Credits

- Credit for Child and Dependent Care Expenses
- Retirement Savings Contribution Credit
- Child Tax Credit
- Credit for the Elderly or the Disabled
- Education Credits (Lifetime Learning Credit; American Opportunity Credit is partially nonrefundable)

## Refundable Credits

**Example:** *If a taxpayer has a tax liability of \$400 and qualifies for a \$500 EITC, the taxpayer **will** receive a \$100 refund because the EITC is a refundable credit.*

## Common Refundable Credits

- Earned Income Tax Credit
- Additional Child Tax Credit
- Premium Tax Credit
- American Opportunity Credit (which is partially refundable)



## EARNED INCOME TAX CREDIT (EITC)

Earned income and adjusted gross income (AGI) must be less than:

If filing	Qualifying Children Claimed			
	Zero	One	Two	Three or more
Single or HOH	\$15,010	\$39,617	\$45,007	\$48,340
Married Filing Jointly or QW	\$20,600	\$45,207	\$50,597	\$53,930

### Maximum credit for tax year 2017:

- \$6,318 with three or more qualifying children
- \$5,616 with two qualifying children
- \$3,400 with one qualifying child
- \$510 with no qualifying children

There are restrictions on EIC claims by taxpayers for whom a previous EIC claim was denied or reduced due to any reason other than a math or clerical error. For example, a taxpayer who was determined to have claimed the EIC due to reckless or intentional disregard of the EIC rules may have a ban imposed for two years. If the error was due to fraud, then the taxpayer cannot claim the EIC for 10 tax years. Ask taxpayers if they have ever been denied the EIC. If so, you must file Form 8862, Information to Claim Earned Income Credit After Disallowance, with the tax return.

### Note:

Individual Taxpayer Identification Numbers (ITINs) and Adoption Taxpayer Identification Numbers (ATINs) cannot be used when claiming the EITC. If a couple is filing a joint return, both spouses and all qualifying children must have valid Social Security numbers to qualify for the EITC.

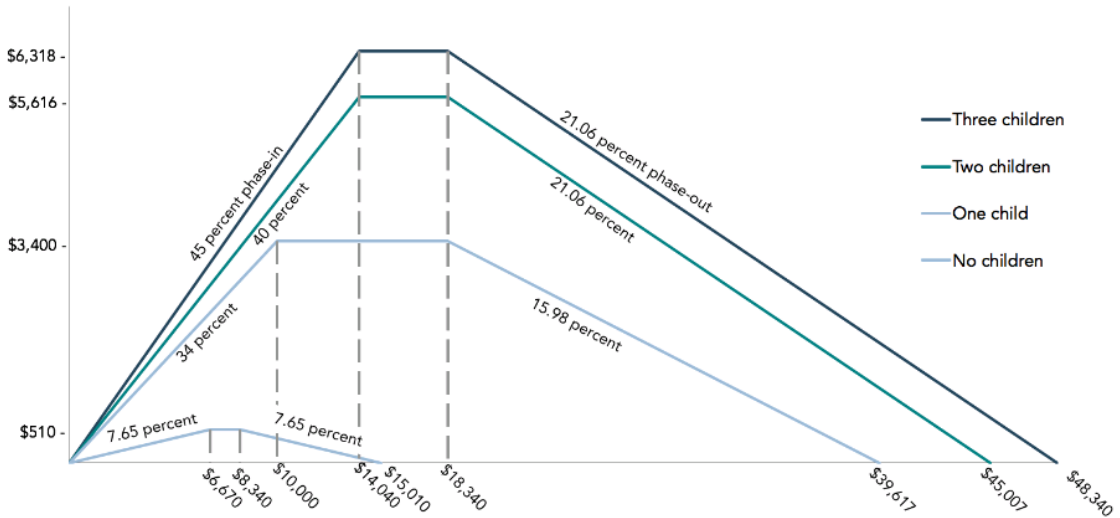
# EARNED INCOME TAX CREDIT (Cont.)

## Chart of EITC Benefits

**FIGURE 1**  
Earned Income Tax Credit  
2017



Credit amount



Source: Tax Policy Center, IRS Rev. Proc. 2016-55.

Note: Assumes all income comes from earnings. Amounts are for taxpayers filing a single or head-of-household tax return. For married couples filing a joint tax return, the credit begins to phase out at income \$5,590 higher than shown.

The information in this graph depicts EITC income and credit limitations for both single and married filers.

Source: Tax Policy Center

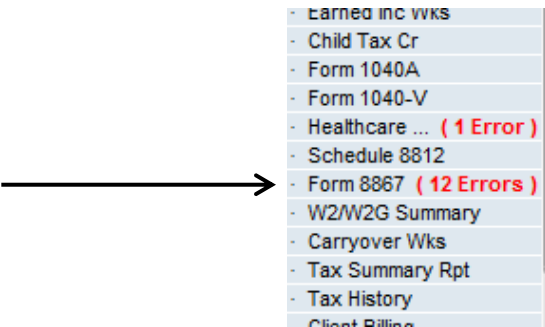
# Form 8867 – Paid Preparer’s Due Diligence Checklist

While Ladder Up is not a paid preparer, within ProSeries, the organization is coded as one so that its IRS-issued Site Identification Number (SIDN) will appear on all returns. As such, the Paid Preparer’s Due Diligence Checklist (Form 8867) will appear for all clients receiving the EIC, CTC/ACTC, or AOTC and preparers must complete all required questions on the form or else the return will be rejected when e-filed.

Since Ladder Up is a VITA program, the responses to these questions don’t have an effect on the client’s return after it is received by the IRS. Ladder Up undergoes its own due diligence requirements with the IRS through site visits, etc.

## Instructions for the Paid Preparer’s Due Diligence Checklist (Form 8867)

- 1. When a client qualifies for the Earned Income Credit, Child Tax Credit, or American Opportunity Tax Credit, Form 8867 will automatically populate.



- 2. Clear all relevant errors by answering the questions presented on the form.

Please complete the appropriate box for the credits claimed on this return and complete the related Parts I-IV for the credit(s) claimed (check all that apply).

	EIC <input checked="" type="checkbox"/>	CTC/ACTC <input type="checkbox"/>	AOTC <input type="checkbox"/>
1 Did you complete the return based on information for tax year 2017 provided by the taxpayer or reasonably obtained by you? .	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
2 Did you complete the applicable EIC and/or CTC/ACTC worksheets found in the Form 1040, 1040A, 1040EZ, or 1040NR instructions, and/or the AOTC worksheet found in the Form 8863 instructions, or your own worksheet(s) that provides the same information, and all related forms and schedules for each credit claimed? .....	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

3. Most responses will be “yes” as this form is meant to serve as a record that the taxpayer went through an interview process.

Exceptions include:

4 Did any information provided by the taxpayer, a third party, or reasonably known to you, in connection with preparing the return, appear to be incorrect, incomplete, or inconsistent? (If "Yes," answer questions 4a and 4b. If "No," go to question 5.) .....  
a Did you make reasonable inquiries to determine the correct, complete and consistent information? .....  
b Did you document your inquiries? (Documentation should include the questions you asked, whom you asked, when you asked, the information that was provided, and the impact the information had on your preparation of the return.) .....

☐ Yes ☒ No

☐ Yes ☐ No

☐ Yes ☐ No

5 Did you satisfy the record retention requirement? To meet the record retention requirement, you must keep a copy of your documentation referenced in 4b, a copy of this Form 8867, a copy of applicable worksheets, a record of how, when, and from whom the information used to prepare Form 8867 and worksheet(s) was obtained, and a copy of any document(s) provided by the taxpayer that you relied on to determine eligibility or to compute the amount for the credit(s)? .....

☐ Yes ☒ No

Ladder Up is part of the IRS Volunteer Income Tax Assistance (VITA) program and is therefore not required to retain records.

## EDUCATION CREDITS

EDUCATION BENEFIT			
	American Opportunity Credit	Lifetime Learning Credit	
Description of tax benefit	Maximum credit or benefit	Up to \$2,500 credit per eligible student	Up to \$2,000 per eligible student
	Refundable or nonrefundable	40% of credit.	Not refundable.
	Number of tax years credit available	Available only for the first 4 years per eligible student, including any years former Hope Credit claimed.	Unlimited.
	Qualified Expenses	Tuition, required enrollment fees, and course materials needed for course of study.	Tuition and fees required for enrollment or attendance.
Other	Must be degree seeking?	Student must be pursuing a degree or other recognized education credential.	Student does not need to be pursuing a degree or other recognized education credential.
	Required to attend at least half time?	Yes, for at least one semester or quarter.	No.
	Felony drug conviction?	No felony drug conviction.	Does not apply.
Who can claim this tax benefit?	If you are the taxpayer.	You, your spouse, or the student is someone you claim as a dependent on your return.	
	If you are a dependent student.	You cannot claim the credit if you are claimed as a dependent on someone else's return. However, if a student can be claimed, but is not, the student can claim the benefit.	
	If you are filing Married Filing Separately	No.	
Tax form required		Form 8863, Education Credits	Form 8863, Education Credits

The Tuition & Fees Deduction was not extended for the 2017 tax year.

## BANK ROUTING NUMBERS

\*Only for accounts opened in Illinois

Bank	Routing Number	Location
Archer Bank	071004530	Chicago, IL
Associated Bank	071925855	Illinois
Banco Popular / Popular Community	071924458	Illinois
Bank of America	081904808	Illinois
BMO Harris Bank	071025661	Illinois
Charter One Bank	241070417	Illinois
Chase Bank	071000013	Chicago, IL
Chicago Community Bank	071004158	Chicago, IL
Citibank	271070801	Illinois
Community Savings Bank	271070681	Chicago
Consumers Credit Union	271989950	Waukegan, IL
Credit Union One	271188081	Illinois
Fifth Third Bank	071923909	Chicago, IL
First American Bank	071922777	Elk Grove Village, IL
First Midwest Bank	071901604	Itasca, IL
Great Lakes Federal Credit Union	271992219	Illinois
Guaranty Bank	071974408	Illinois
Illinois Service Federal	271070924	Chicago, IL
Lakeside Bank	071001504	Illinois
Marquette Bank	071004284	Chicago, IL
MB Financial Bank	071001737	Chicago, IL
North Community Bank	071002707	Chicago, IL
NorStates Bank	071923378	Waukegan, IL
North Community Bank	071001533	Chicago, IL
North Side Federal Credit Union	271081599	Chicago, IL
Northbrook Bank and Trust Co.	071926184	Northbrook, IL
Pacific Global Bank	071006774	Chicago, IL
Pan American Bank	071006868	Chicago, IL
Parkway Bank and Trust Co.	071908160	Harwood Heights, IL
PNC Bank	071921891	Illinois
Seaway National Bank	071001216	Chicago, IL
Self-Help FCU Chicago Division	271071279	Cicero, IL
South Side Federal Credit Union	071093295	Chicago, IL
TCF National Bank	271972572	Illinois
Urban Partnership Bank	071004226	Chicago, IL
US Bank	071904779	Northern Illinois
USAA Federal Credit Union	314074269	Illinois
West Suburban Bank	71923349	Illinois

# AFFORDABLE CARE ACT

For each month of the year the ACA requires that ALL individuals fall into one of three categories when it comes to health insurance coverage:

1. Has **qualifying health care coverage** (called minimum essential coverage, or MEC) for each month of the year. See the *Volunteer Training & Reference Manual* for a full list of coverage that qualifies as MEC).
2. Does not have MEC and qualifies for a **coverage exemption** (see list, below).
3. Does not have MEC and makes a **shared responsibility payment** (SRP) when filing their federal income tax return.

## Minimum Essential Coverage (MEC)

While verbal confirmation is an acceptable “proof” of coverage, the following forms are available in ProSeries:

- Form 1095-A: Insurance was obtained from the Marketplace (Must be included on the tax return)
- Form 1095-B: Insurance was obtained from a health insurance issuer or carrier
- Form 1095-C: Insurance was obtained from an employer

*Note: Coverage under government programs includes Medicare Part A. See the Affordable Care Act Appendix in the Volunteer Training & Reference Manual for a full list.*

## Coverage Exemptions

The following situations qualify an individual for an exemption:

- Certain noncitizens and U.S. citizens living abroad (Code C)
- Short coverage gap (less than three months). Special rules apply for gaps in coverage in January and February. (Code B)
- Incarceration (Code F)
- Insurance is unaffordable (The cost of coverage exceeds 8.16% of household income, see *Volunteer Training & Reference Manual* for affordability worksheet) (Code A)

# AFFORDABLE CARE ACT (Cont.)

## Coverage Exemptions (Cont.)

- Hardship Exemption Certificate (which the client has obtained prior to filing taxes)

*Note: A full list is available in the Affordable Care Act Appendix in the Volunteer Training & Reference Manual*

## Shared Responsibility Payment

If a client does not have MEC, and does not qualify for an exemption, he will be required to pay the Individual Shared Responsibility Payment (ISRP). ProSeries will automatically calculate this amount and it will appear on line 61 of the 1040.

## Advanced Premium Tax Credit (PTC)

If a client has received PTC it will be reported on Form 1095-A. Information entered into the Form 1095-A worksheet will automatically flow into Form 8962 in ProSeries. Form 8962 reconciles the amount of PTC that the client is eligible to receive with the Advanced Premium Tax Credit (APTC) received throughout the year. If the APTC is more or less than the eligible amount, the difference will appear in the payments section of the Form 1040. *If a person receives APTC, they must file a tax return!*

## Reasons that the client may have to pay back part of his Advanced Premium Tax Credit:

- Errors in estimating a dependent's income
- Incorrect Form 1095-A
- Change in filing status
- Change in household size

Remind and encourage taxpayers to report their changes to Marketplace mid-year!



# FREQUENTLY ASKED QUESTIONS – TAP Clients

## **Why am I being charged for not having health insurance?**

Under the tax law everyone on the tax return must have minimum essential coverage (MEC) for the entire year or have an exemption to the requirement. MEC includes Marketplace insurance, Medicare, Medicaid, employer-provided insurance, etc.

## **Why do I owe the government money?**

The reason why a client might have a balance due on their return is because they did not pay enough taxes to cover their tax liability. The most common reason why people owe is because not enough taxes were withheld from their paycheck. You can recommend that your client speak to Human Resources at their job to make sure their withholdings information is correct as submitted on Form W-4. In most cases of under-withholding, the client has claimed themselves twice which means their exemption total on the W-4 was too high and the employer withheld too little. You can print Form W-4 from ProSeries and help the client complete them. IL W-4 Forms should be in the site binder or can be printed online.

The second most common reason why clients owe is because they are independent contractors/self-employed. When someone is considered self-employed, that person is responsible for paying all taxes – they have no employer who is contributing. You can recommend to your client that they make estimated payments to the IRS and state if they decide to continue being an independent contractor so that they don't have a balance due at tax time. They can contact the IRS and the Illinois Department of Revenue to set up quarterly payments. In some cases, workers that are given 1099-MISC forms as independent contractors are misclassified and should instead be employees receiving W-2 forms.

## **Why do I need my spouse's SSN when I am filing separate from them?**

Although your client is filing separate from their spouse, in order for us to e-file the return, we need the spouse's Social Security number or else the return will be rejected. If your client doesn't have their spouse's SSN, you can still prepare the return but it will have to be a paper file (meaning the client will have to mail in the return).

## FREQUENTLY ASKED QUESTIONS – TAP CLIENTS (Cont.)

### **Why didn't I get the EIC this year when I got it last year?**

The difficult thing about the EIC is that there is a sweet spot in order for a client to receive it. Your client cannot make too much or too little or else they may not qualify for the credit. If they received the credit last year, you might ask if their circumstances changed (i.e. they made more or less money, one of their children is no longer a qualifying child for the credit, etc.). Remember that if a client has an ITIN or is filing as Married Filing Separately, they are not eligible for the EIC.

### **Why didn't I get any of the education credits?**

There are two main reasons why someone didn't receive an education credit: if they are filling MFS or if they already have an undergraduate degree. The other factor is what amount, if any, the person paid out of pocket for qualified education expenses. If a student's qualified expenses are covered by grants or scholarships and he paid nothing out of pocket, then he is not eligible for an education credit.

### **Why didn't my donations/medical bills make a difference on my tax return?**

The only way that donations or medical bills can make a difference on a client's return is if that the client's total itemized deductions exceeds the standard deduction. The vast majority of TAP clients take the standard deduction because they do not have enough in itemized deductions. Only certain items can go onto Schedule A, which shows all itemized deductions – common examples are medical bills (the amounts exceeding 10% of adjusted gross income), mortgage interest, real estate taxes, and charitable contributions.

### **Why can't I file as head of household?**

For most people who ask this question, the answer is because they have no dependents. Clients think that because they maintain their own property they get to be HOH but that is only true for clients with dependents that live with them and that they support financially. If they do not have dependents, then they CANNOT be HOH.

### **Why can't I file as single if I am separated from my spouse?**

A client cannot file as single unless he is are legally separated or legally divorced from his spouse. His filing status is based on their marital status on the last day of the tax year. It doesn't matter if they don't live together or if the client hasn't heard from his spouse in years.

# FREQUENTLY ASKED QUESTIONS – TAP CLIENTS (Cont.)

## Can I claim my parents who live in Mexico?

Clients can claim their parents living in Mexico or Canada on their tax return if they provide more than half of the financial support for the parents, if their parents are non-citizens, and if each parent has an Individual Taxpayer Identification Number (ITIN). Keep in mind that Mexico and Canada are the ONLY countries for which this situation is allowed.

## Why were my social security benefits taxed?

Social security benefits can be taxed if the taxpayer also received substantial income from other sources (i.e., pension, self-employment, wages, interest, etc.). There is a formula for determining what, if any, portion of social security benefits is taxable that can be found in the manual in the Social Security Benefits section.

## Do I need to include my Form 1095-A on my return?

YES! If you find out your client had health insurance through the Marketplace, then it is necessary to include Form 1095-A on the return or else the taxpayer will encounter processing delays. Ask your client if they can find a copy they received in the mail or ask that they contact the Marketplace about obtaining a replacement form.

## How long will it take to get my refund?

The speed with which a client can receive their refund will usually depend on how they filed (e-file versus paper file) and through what means they are getting their refund (i.e. direct deposit versus a check in the mail). See the chart below for estimated processing times. However, stress to your client that it can take a little longer than that and that they can always check their refund status online or by calling the IRS.

Submission Type	Processing Time
E-file with direct deposit	2-3 weeks
Paper file with direct deposit	4-5 weeks
E-file, no direct deposit	5-6 weeks
Paper file, no direct deposit	6-8 weeks
Amendment	12-16 weeks

# LADDER UP THANKS ITS FINANCIAL SUPPORTERS!

## **Founder's Circle (\$250,000+)**

City of Chicago

## **Chairman's Circle (\$50,000 – \$249,999)**

JPMorgan Chase

Illinois Department of Human Services

## **Director's Circle (\$20,000 – \$49,999)**

United Way of Metropolitan Chicago

Polk Bros Foundation

Bank of America

Kirkland & Ellis LLP

## **Platinum Circle (\$10,000 – \$19,999)**

Cook County CDBG

Sundberg America

Crowe Horwath

Deloitte LLP

Discover Financial Services

Grant Thornton LLP

KPMG LLP

RepairClinic

CIBC

Linda McGuire

Exelon

PwC

Thomas & Maryellen Scott

United Airlines

Intuit\*

## **Gold Circle (\$5,000 – \$9,999)**

Baker McKenzie

Anonymous

Alverin M. Cornell Foundation

Burke America

Ernst & Young

A.G. Cox Charity Trust

Adtalem Global Education

Cabot Microelectronics

Fifth Third Bank

Carl R. Hendrickson Family Foundation

McDermott Will & Emery LLP

Walgreens

Wells Fargo

\*In-Kind Support

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