

AMENDING FEDERAL AND STATE TAX RETURNS - TaxSlayer

(Simplest case where taxpayer or IRS finds an error in original tax return)

NOTE: Begin the Amended Return procedure with a corrected tax return

Prerequisite:

1. Print a copy of the uncorrected tax return (as originally filed)
2. Correct the federal and state tax returns (If not already on TaxSlayer, recreate and correct them)
3. If you have to recreate the returns, go to the E-file section and select “Paper” for federal and state.
4. Perform a Quality Review to ensure the state and federal tax returns are now correct.

Start the Amended Tax Return Procedure:

4. Navigate to the Amended Tax Return Section by Clicking on the Amended Return Menu. This creates a 1040X form and populates column C with corrected taxpayer data.
5. Click on “**Original Federal Return Information**”.
6. Enter the return data from the uncorrected tax return (that was printed in prerequisite step 1). This populates columns A and calculates column B of the 1040X form.

Note 1: If the original federal return was E-filed, Tax Slayer will correctly populate most of 1040X column A except for a line which calls for tax paid with the original tax return. Normally only verification of the other lines in column A is necessary. If the original was not E-filed or was not created in TaxSlayer, all 1040X column A lines must be input in accordance with TaxSlayer line by line instruction.

Note 2: The 1040X is now complete for the Federal Tax Return except for explaining changes. If the state return needs to be amended, continue to step 7, otherwise continue to step 12

7. Select “Amend State Return(s)” and click on Begin
8. Click on “Amend State”, and Continue
9. Scroll to the bottom to find “Amended Return. Click on “Begin” and Continue
10. Answer “Yes” to the question “Do you want to file an Amended State Return” and enter requested information (Tax Paid on Original Return or Tax Refund on Original Return) and reason for amending the return in the drop down box.

Note: The Amended Idaho State Return is now complete except for explaining the changes on 1040X. Verify the 2 boxes at the top of Idaho Form 40 now show it is an amended state tax return and the correct code for amending the return is displayed.

12. Select “Explain Changes” from the Amended Tax Return -1040X menu
13. Carefully explain the changes line by line per TaxSlayer Instructions. Also Include explanation of State changes if made in addition to federal changes. These explanations populate 1040X page 2
14. Create a PDF by selecting “Print Amended Return”.
15. Print the appropriate pages of the federal and state returns and perform a quality review to ensure 1040X and Amended Form Idaho Form 40 entries have correctly transferred. Have client sign the form

Note: IRS does not match up the original incorrect return with the amended return. Be sure to include with the amended 1040X form all forms (those with sequence numbers at top right hand corner) if they changed as a result of amending the tax return. Anecdotal evidence suggests the IRS will just return the amended return to the client if supporting IRS form documentation is not included with the 1040X form.

Note: Amended returns can now be E-Filed. Check with your ERO on whether to do this or to paper file the amended return. Anticipate whether the cryptic explanation allowed in TaxSlayer will be sufficient for the IRS to understand/agree with processing the change. Anecdotal evidence suggests that the IRS will seek additional information showing proof that a dependent lives in the home. Consider attaching additional evidence such as school records or driver license that lists the dependent’s address.

Mail the amended returns and any other IRS forms that changed as a result of being amended to the appropriate address. (Don’t send worksheets)

AMENDING ONLY THE IDAHO STATE TAX RETURN – TaxSlayer

(If there is no reason to file a federal amended return)

1. Begin the process by correcting the State tax return.
2. Click on State Menu.
3. Click on Amend State Return.
4. Enter either the original refund amount, or tax paid when the original uncorrected state return was filed; then answer “other” to question of why state return is being amended.
5. Print the state and original Federal 1040 forms for mailing. Verify Form 40 page 1 & 2 entries.
6. Include a written description of changes and reason for changes with paper return.
7. Note: Include a copy of the federal 1040X form page 1 and 2 with the state amended return.

