

WELCOME!

This innovative online tax preparation software solution has been developed to aid you, the tax professional, in preparing quick, accurate individual and state income tax returns without the hassle of software installation, downloading and installing federal and state updates, connecting to a server for transmitting returns or connecting to a server to receive acknowledgements. All of these steps are integrated into the tax program automatically, so all you have to do is log in to your account!

In addition to this User Guide, we provide you with several other avenues of support:

Step-by-Step Guides – If you are new to the tax preparation industry, or are a seasoned tax professional preparing an advanced return, the tax program has integrated menu specific input wizards, or guides to help ensure you don't miss a thing! If you choose to use a step-by-step guide for any of the several sections of a tax return, you will be asked an in-depth series of questions to determine exactly which items may be applicable to each tax return. Descriptive paragraphs on each item of income, deductions, credits, etc. will also be displayed throughout the tax return input process geared to clarify any questions that may arise during the preparation of the tax return.

Email Support – Contact technical support by sending an email to prosupport@taxslayerpro.com. Our email is available 24 hours a day to receive support questions from our customers. All emails will be answered within 24 hours of receipt.

Fax Support – Our fax number is 706.868.0263. Our fax machine is online 24 hours a day to receive support questions from our customers. All faxes will be answered within 24 hours of receipt.

Phone Support – Our dedicated tax program support phone number is 706.868.0985.

Before you call, search this User Guide for the answer to your question.

Also, you may wish to try these simple troubleshooting steps before you call:

- Check your internet connection by going to a website other than your home page or www.refundrepublic.net. If your internet connection is down, you will not be able to access the tax program. Contact your internet service provider for assistance in re-establishing your connection.
- Log out of the tax program software and log back in.
- Close all open internet browser windows and tabs and open a new internet browsing session.
- Reboot your computer.
- Check all physical connections to your computer – printer, network connection, and internet cables.

Editors Notes:

The screen prints and text of this users' guide are up-to-date at the time the guide went to press.

The tax program software package is subject to revisions and improvements before its initial release. While every effort has been made to have the latest software screen prints available, we apologize for any discrepancies that may occur between the screen prints and instructions in this manual and the actual program screens.

Thank you!

TaxSlayer Pro Online FAQ...

How do I get updates?

You do not have to manually download and install updates in the tax program. Each time you log in to your office account, any updates that have been released will automatically integrate with your program.

Do my computers need to be networked to use the tax program?

No. Because the tax program is web based and run completely over the internet, your office computers are not required to be networked. An internet connection is required on each computer that will be running the program.

How do I delete a return?

To delete a tax return, from the Main Menu of the program select **Client List**. Select **Deactivate** from the drop down box in the **Other Column**. Once a return has been deactivated, it cannot be reactivated. It must be rekeyed into the program.

How do I amend a return?

To amend a return, from any menu inside the tax return select **2012 Amended Return** at the top right side of the screen.

How do I email a tax return?

To e-mail a client a copy of their tax return, you must first print the return to PDF. From any menu in the tax return select Summary. Select the **print your 2012 tax return** button. Click **Print your 2012 Tax Return**. Save a copy of the file to your computer. Attach the saved file to your email.

How do I password protect a return?

From the Main Menu of the program select **Client List**. Select **Privacy Settings** from the drop down box in the **Other Column**. Select **Yes** from the dropdown box indicating that you want to mark the return as a private return. Enter in the password for the return. To ensure accuracy you will be prompted to enter the password twice.

How do I delete a state return?

To delete a state return, from anywhere in the tax return select **State Section**. Click on the delete icon next to the state that you wish to delete. Select the **Delete** button to confirm.

Recommended System Requirements

- **Adobe Reader 10**
- **Internet Explorer 8 or later**
- **High-speed internet connection**
- **HP compatible printer – Laser printer for check printing**

How do I view a return?

From anywhere inside the tax return select **Summary** at the top of the screen. Select **CREATE A PDF DOCUMENT**. Next, select the **Print Your 2012 Tax Return** button. The PDF document will be displayed on the screen.

How do I file a state only return?

To file a state only return, select **E-File**. Place a checkmark in the box next to the statement “Check here to file the return **STATE ONLY**”. Continue with the e-file process as usual.

How do I mark a return as complete?

From any menu in the tax return select the **E-File** option at the top of the screen. Continue the electronic filing process. From the E-File Summary screen place a check mark in the box next to the statement **Return Complete**.

Can I unmark a return as complete after it has been marked?

After a return has been marked as complete, it cannot be unmarked as complete.

How do I mark a return as paid?

From any menu in the tax return select the E-File option at the top of the screen. Continue the electronic filing process. From the E-File Summary screen place a check mark in the box next to the statement **Mark as Paid**. Once a return has been marked as paid, it cannot be unmarked.

How do I print checks in the tax program?

Checks will be printed from your tax related bank product bank website. To access your bank’s check printing module, from the Main Menu of the program select **Print Checks**. You will be automatically redirected to your bank’s check printing site.

How do I create and e-file an extension for a tax return?

To create an extension for a client, from any menu in the tax return select **Federal Section, Miscellaneous Forms and Application for Extension (Form 4868)**. Fill in all required information and select Continue To Next Step. Select the E-File option at the top of the screen. You will be given the option to file your return (Form 1040 and supporting schedules), or to file your extension (Form 4868). Complete the extension e-file process. You should receive an acknowledgement from the IRS within 24-48 hours.

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Main Menu

Start a New Tax Return

Client List

Configuration

Reports

Print Check(s)

Prior Year Tax Programs



Login Page

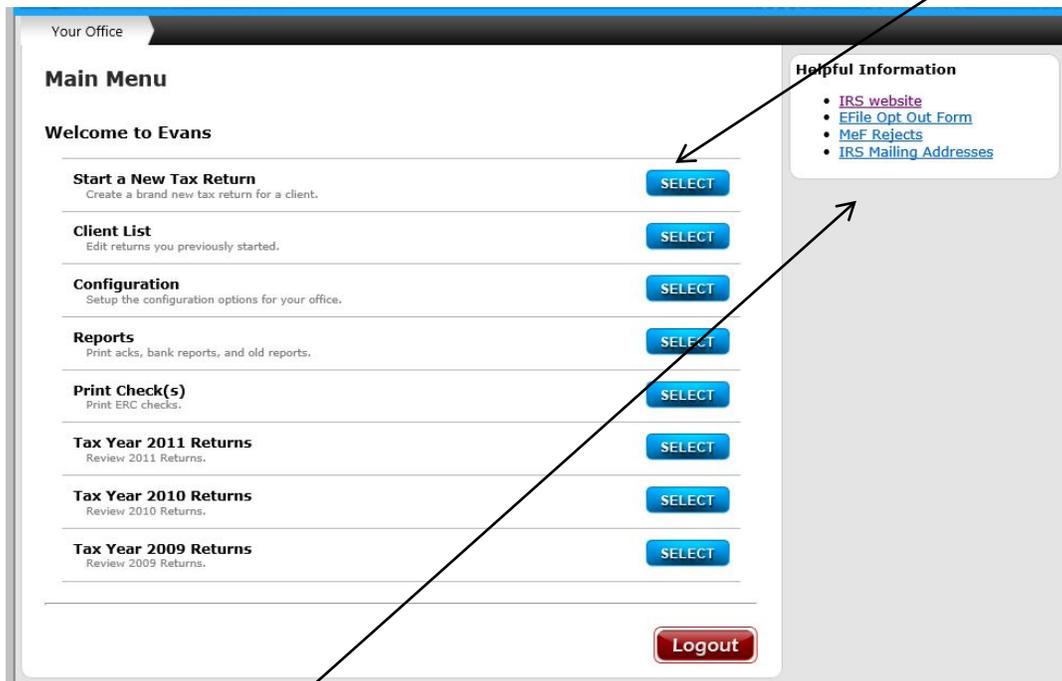
A blue login form with a white border. At the top left is the TaxSlayer Pro Online logo. To the right of the logo, the text 'PLEASE LOGIN' is displayed in large, spaced-out, white capital letters. Below this, there are two white input fields. The first is labeled 'Preparer Name' and the second is labeled 'Password' with '(case-sensitive)' in smaller text to its right. At the bottom left of the form is a white button with the text 'LOGIN' in blue. To the right of the button are two links: 'Forgot UserName' and 'Forgot Password' in white text.

Welcome to TaxSlayer Pro Online!

The main log-in page will always be the first thing you see when you navigate to the tax program website. To log in to the program, enter a valid Preparer Name and Password and select the **LOGIN** button. Remember that passwords are always case-sensitive. If a preparer forgets their username or password, see page 91 of this manual for instructions on how to retrieve or reset it.

Chapter 1 - The Main Menu...

The **Main Menu** of the program is the screen that you are taken to every time you log into your office account. From the Main Menu, you will find eight (8) Menu Options that contain several functions pertaining to that particular part of the program. A single click on any blue **SELECT** button will display the additional options available for that menu item.



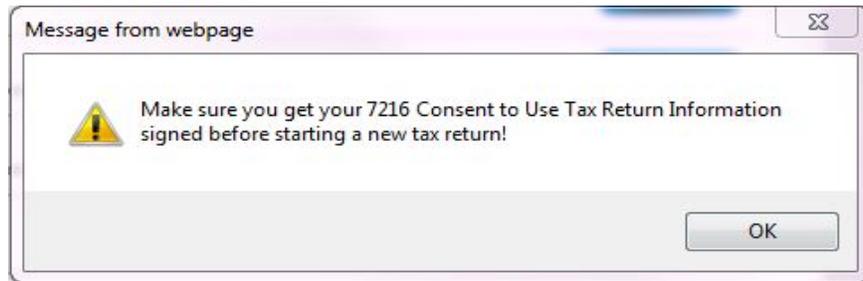
The **Helpful Information** section of the main menu contains links to common websites and forms.

Select the red **Logout** button to exit the program and return to the main preparer log-in page.

1. Start a New Tax Return

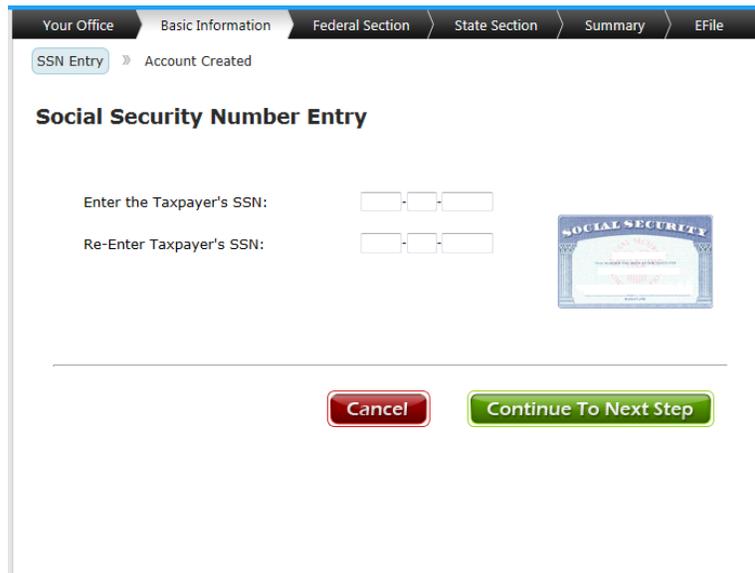


The **Start a New Tax Return** option enables you to begin the data input process for a client. When you select this option you will be prompted to have the client sign Form 7216 Consent to Use Tax Return Information form. (See Chapter 5, Consent to Use). Before continuing, you should have your client sign the form if required. Select OK.



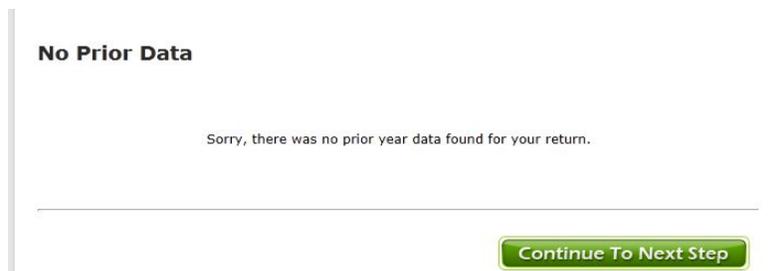
Basic Information

Social Security Number Entry – Create a new tax return by entering the taxpayer’s Social Security number in the space provided. To ensure accuracy, you are required to enter the SSN twice. Press the **Tab** key to re-enter the taxpayer’s SSN. Select **Continue To Next Step**.



The screenshot shows a web interface for entering a Social Security Number. At the top, there is a navigation bar with tabs: "Your Office", "Basic Information", "Federal Section", "State Section", "Summary", and "EFile". Below the navigation bar, there is a breadcrumb trail: "SSN Entry" followed by a right-pointing arrow and "Account Created". The main heading is "Social Security Number Entry". Below this heading, there are two input fields: "Enter the Taxpayer's SSN:" and "Re-Enter Taxpayer's SSN:". Each input field consists of three separate boxes for the digits, separated by hyphens. To the right of the input fields is a small image of a Social Security card. At the bottom of the form, there are two buttons: a red "Cancel" button and a green "Continue To Next Step" button.

If no prior year data is found for this SSN, you will see the message below. Select **Continue To Next Step**. See page 8 for details on pulling forward prior year data.



The screenshot shows a message box with the heading "No Prior Data". Below the heading, the text reads: "Sorry, there was no prior year data found for your return." At the bottom of the message box, there is a green "Continue To Next Step" button.

Next, **Select Your Filing Status** by choosing the filing status that best suits your client. If you are unsure of which filing status to select, select the **Filing Status Guide** button to launch the Filing Status Wizard which will ask you a series of questions to help determine the correct filing status for your client. Select the circle next to the correct filing status and select **Continue To Next Step**.

Personal Information:

Personal information will be pre-populated if you have pulled the return forward from the prior year. You will be prompted to fill out the basic personal information (Name, Date of Birth, Occupation, Address and Phone Number) for the taxpayer and spouse (if MFJ). At each entry screen, fill in all applicable information pertaining to your client. To move your cursor to the next field, press the **Tab** key.

Press the **Tab** key to move your cursor to the next field.

Taxpayer Information

Mark any special circumstances pertaining to the taxpayer.

Special tax benefits or restrictions may apply to taxpayers in certain situations. A list of special circumstances that will help in determining these items is listed in the Taxpayer Information section.

If the taxpayer has a **foreign address** or a **stateside military address**, you can note that here by selecting the appropriate box. When the foreign address box is marked, the address fields will change to accommodate a foreign address.

Address and Phone Number

- Check here if foreign address. ←
 Check here if Stateside Military address.

To enter a foreign address, select the checkbox.....this will change the address fields.

Home Address (Number and Street):
(Enter your P.O. Box if your post office does not deliver mail to your home)

Foreign City:

Foreign State or Province:

Foreign Country:

Please Select- ▼

Foreign Postal Code:

Daytime Telephone Number:

() -

If at this point you need to change the filing status on the return, select the **Change Filing Status** icon located on the bottom left corner of the page. If you are satisfied with your entries, select **Continue To Next Step**.



Continue To Next Step

Dependent / Qualifying Child Information:

Dependents or Qualifying Person(s) are entered next. If the taxpayer is claiming dependents or other qualifying persons on their tax return, select the **YES** button to begin filling in applicable information pertaining to each dependent. To bypass the dependent entry menu, select the **NO** button. You will be prompted to enter the dependent's name, date of birth, social security number, relationship to the taxpayer and the number of months this person lived in the taxpayer's home during the year. Note: If this dependent was born or died in the current tax year, always select 12 months. Other options found in the number of months drop down menu include:

- **Lived in Canada** – The person claimed as a dependent must either be a U.S citizen, U.S. national, or a resident of the United States, Canada or Mexico.
- **Lived in Mexico** - The person claimed as a dependent must either be a U.S citizen, U.S. national, or a resident of the United States, Canada or Mexico.
- **Divorce/Separation** –
Post-1984 and pre-2009 decree or agreement - If the noncustodial parent does not obtain a signed Form 8332 from the custodial parent and attach it to his or her return, the noncustodial parent can claim the dependency exemption by attaching pages from a decree or agreement to the return that contains all of the following information.
 - A statement that says the noncustodial parent can claim the child as a dependent without regard to any condition, such as payment of support.
 - A statement that the other parent will not claim the child as a dependent.
 - The years for which the claim is released.

- A cover page which includes the other parent's SSN.
- A signature page with the other parent's signature and date of agreement.

Post-2008 decree or agreements - The noncustodial parent can no longer attach pages from the divorce decree or agreement to claim the dependency exemption. Only Form 8332 or a substantially similar statement can be used.

Multiple Support Declaration - If no one person contributed over half of the support of a relative, including a person who lived with the taxpayer all year as a member of the household, but the taxpayer and another person(s) combined provided more than half of the person's support, special rules may apply that would treat the taxpayer as having provided over half of the support. Use Form 2120, *Multiple Support Declaration*, or similar statement, to claim a dependency exemption

*See Appendix K for a sample form 8332, Release of Claim to Exemption for Child by Custodial Parent.

*See Appendix J for a sample form 2120, Multiple Support Declaration.

Note: In order for the IRS to accept the tax return electronically, ensure that:

- The dependent's name is spelled correctly
- The correct year of birth is entered
- The correct social security number is entered

If any of these three items are entered incorrectly, the IRS will **reject** the tax return for electronic filing purposes.

Special tax benefits or restrictions may apply to dependents and other qualifying person(s) in certain situations. A list of special circumstances that will help in determining these items is listed in the Dependent / Qualifying Child Information section.

Your Office > Basic Information > Federal Section > State Section > Summary > EFile

Life Events > Filing Status > Personal Information > Dependents

Dependent / Qualifying Child Information

Check here if this dependent was not included on your most recent return filed with the IRS.

Dependent's / Qualifying Child's Name: **First** Taylor **Middle** T **Last** Test

Date of Birth: 5 / 5 / 2005 mm/dd/yyyy

Social Security Number: 400 - 00 - 1100

Relationship: Daughter

Number of months this person lived in your home during 2012: 12

(Note: If this dependent was born in 2012, you must select 12 months)

Please answer the following:

Check if this person was a FULL-TIME student.

Check if this person was DISABLED.

Check if this qualifying child is NOT YOUR DEPENDENT.

Check if you wish NOT to claim this dependent for Earned Income Credit purposes.

Check if this dependent is married.

Cancel **Continue To Next Step**

Mark any special circumstances pertaining to this dependent here.

When you have finished entering the information for this dependent select **Continue To Next Step**. To add, edit or delete a dependent select the appropriate icon.

First Name	Last Name	Social Security Number	
Jessie	Johnson	222-55-1111	 
Add a Dependent or Qualifying Child 			

If prior year data is found for this client, you will be given the opportunity to select which items to pull forward into this year's return. All items that were found on last year's return will be defaulted to pull forward. If you do not want to pull an item forward into this year's return you

can uncheck the **Pull Item** box. See Appendix I for a complete list of all items that can be pulled forward from the prior year's tax return.

Your Office
Basic Information
Federal Section
State Section
Summary
EFile

Pull Data To Current Return

Taxslayer Pro will automatically transfer your name, address and filing status from last year's return when you start this year's return. Please review the additional information below of available forms and items to pull forward to your current year return. Select "NO" next to any that you do not wish to pull forward. You will confirm that you have verified the information below and CONTINUE with your return.

- Dependents:

Pull Item?	SSN	First	Last	Age
<input checked="" type="checkbox"/>	400-00-4545	Tommy	Tester	11
<input checked="" type="checkbox"/>	400-00-6565	Tiffany	Tester	9

**We have pulled the following information from last year: Social security number, first & last name, date of birth, number of months they lived with you, and whether or not they were disabled or a full time student. When you get to the dependent section of your return please verify all information.
- W2 Items:

Pull Item?	Employee	Employer
<input checked="" type="checkbox"/>	Taxpayer	Test Employer Inc
- Form 1099R Items:
No prior data found.
- Schedule B Items:
No prior data found.
- Schedule C:

Pull Item?	Owner	Business Name	Principal Business	Assets Found	Listed Properties**
<input checked="" type="checkbox"/>	Spouse	Test Name	Copy Service	1	1

**Listed property was found. Please remember, you need to re-enter any mileage or actual expenses associated with the listed property.

Uncheck the **Pull Item** box if you do not want to pull an item forward.

When you are ready to proceed with the return, select one of two options at the bottom of the page:

Yes, pull forward the prior year data selected to my current year tax return.

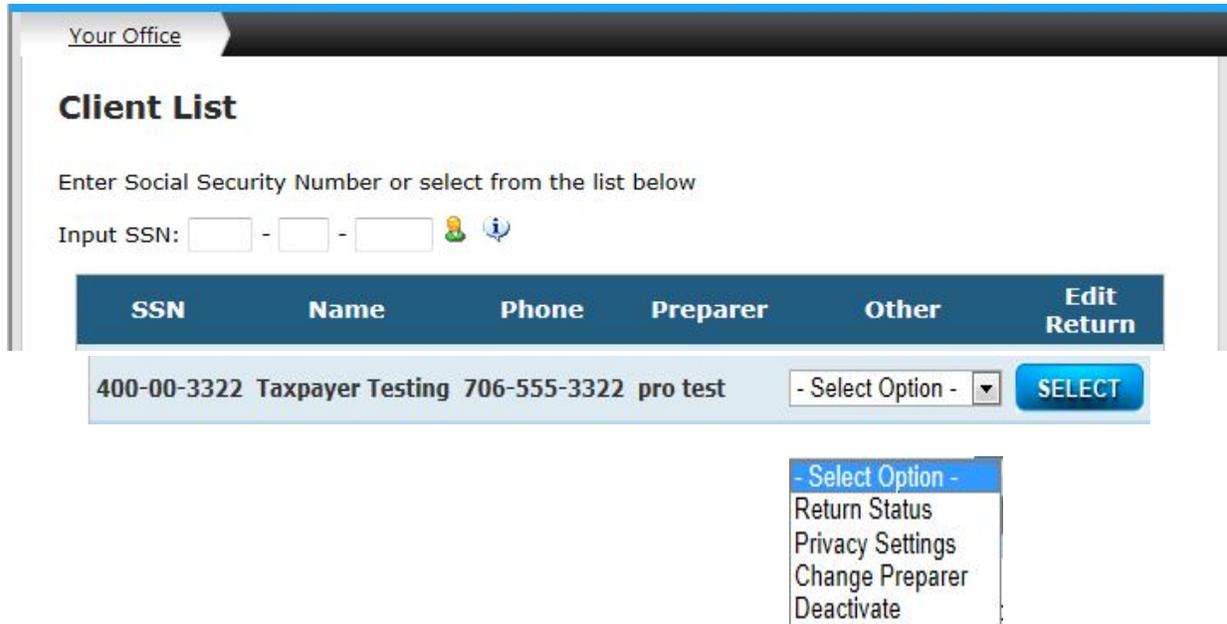
No, I would not like to pull the prior year data to my current year tax return.

See Chapter 2, Preparing a Tax Return for specific instructions on preparing each section of the tax return.

2. Client List – Edit Returns you previously started.



The **Client List** option enables you to view a list of all previously entered tax returns. From this menu you can check on the status of a client’s return, set privacy settings for a client’s tax return, change the preparer information on a return, deactivate a client’s tax return, or edit a client’s tax return.



Return Status can be viewed by selecting this option from the drop down menu in the **Other** column. Select this option to view IRS and state transmission and acceptance information. For in depth details on return status, see Chapter 4 page 67.

Privacy settings can be set on a return by selecting this option from the drop down menu in the **Other** column. If you would like to mark the selected return as a private return, select **Yes** from the drop down box. You will be prompted to enter a password for this return. To ensure accuracy, you will be prompted to enter the password twice. After the return has been password protected, the password must be entered each time a preparer attempts to open the return.

Your Office

Privacy Settings

Would you like to make this return private? Yes ▾

Return Password

Confirm Return Password

Cancel Continue

Change Preparer can be accessed by selecting this option from the drop down menu in the **Other** column. When this option is selected, a box displaying the current preparer and an option to select a different preparer will be displayed on the screen. Select the new preparer from the drop down list of preparers that have been added in the configuration menu. Select the **Continue** button.

Deactivate or delete a specific return by selecting this option from the drop down menu in the **Other** column. You will be asked if you want to deactivate the tax return. Select **Yes** if you are sure that you want to deactivate or delete the specified tax return. **Note: Once a return is deactivated it cannot be reactivated.**

Edit a specific return by selecting this option in the **Edit Return** column. When the blue select button is pressed, the tax return will open up to the section that you worked on last. You can continue entering information for this section, or select a different section from the top of the screen.

Your Office Basic Information Federal Section State Section Summary EFile

Income » Deductions » Other Taxes » Payments & Estimates » Miscellaneous Forms

Any section of the return can be accessed from anywhere in the program. Use the tabs at the top of the screen to navigate through the different sections of the return.

3. Configuration – Set up the configuration options for your office.

Configuration

Setup the configuration options for your office.

SELECT

The **Configuration** option enables you to add, edit or delete information for the ERO, preparers and fees.

ERO Setup -

To enter or edit ERO Information, select **ERO Setup**. To add an ERO, select the **Add An ERO** button. To edit ERO information, select the **Edit** button next to the ERO entry that you would like to edit.

Type	Street Address	City	State	Zip	
Physical	123 Main Street	Augusta	GA	30800	Edit Delete

Type	Telephone	Extension	
Home	(706) 555-4655	123	Edit Delete

To use this ERO as the default ERO on your tax returns, change this option to yes.

You can add up to three types of addresses for each ERO entered into the ERO Menu. The three address types are Physical, Mailing and Shipping. If the addresses are the same, one entry will be sufficient.

You will also be given the option to add up to three types of phone numbers in the ERO Menu. The three phone types are Home, Business and Fax.

Preparer Setup -

To add, change or de-activate preparers stored in the program, select **Preparer Setup**. To add a preparer, select the **Add A Preparer** button. To edit a preparer's information, select the **Edit** button next to the preparer entry that you would like to edit.

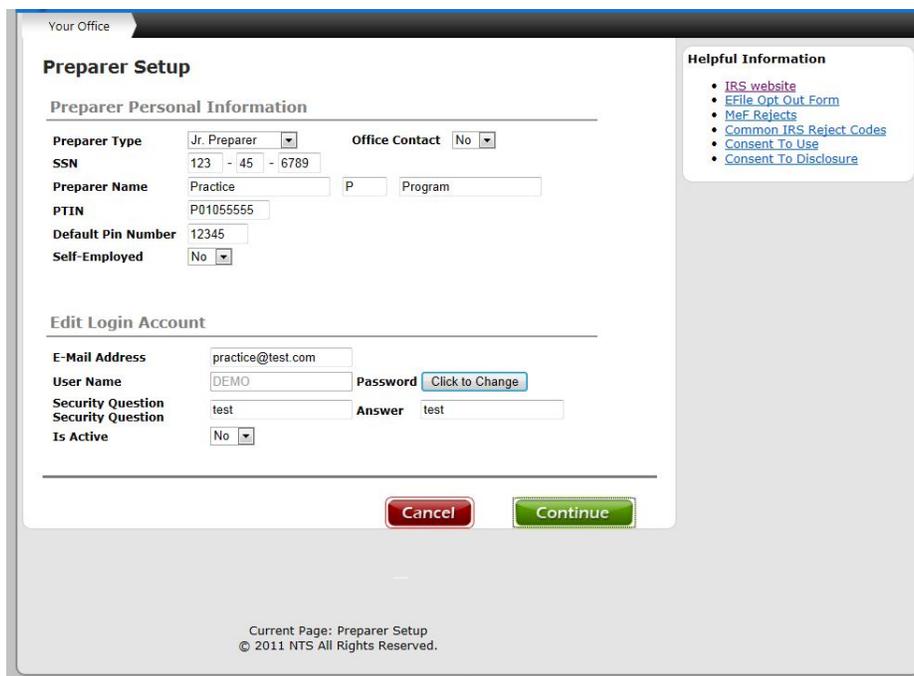


The screenshot shows the 'Preparer' section of the software interface. It features a table with the following data:

SSN	Preparer Name	
XXX-XX-4564	Test Nts	Edit
XXX-XX-4654	james russell	Edit
XXX-XX-7890	Testing Online	Edit
XXX-XX-6789	Practice Program	Edit

Below the table is a button labeled 'ADD A PREPARER' with a green plus icon. To the right, there is a 'Helpful Information' sidebar with links to IRS website, EFile Opt Out Form, MeF Rejects, Common IRS Reject Codes, Consent To Use, and Consent To Disclosure. A 'CONTINUE' button is at the bottom right.

The Preparer Setup Menu stores detailed information about each tax preparer.



The screenshot shows the 'Preparer Setup' form. It is divided into two main sections: 'Preparer Personal Information' and 'Edit Login Account'.

Preparer Personal Information:

- Preparer Type: Jr. Preparer (dropdown)
- Office Contact: No (dropdown)
- SSN: 123 - 45 - 6789
- Preparer Name: Practice (text), P (checkbox), Program (checkbox)
- PTIN: P01055555
- Default Pin Number: 12345
- Self-Employed: No (dropdown)

Edit Login Account:

- E-Mail Address: practice@test.com
- User Name: DEMO
- Password: Click to Change (button)
- Security Question: test
- Security Question Answer: test
- Is Active: No (dropdown)

At the bottom, there are 'Cancel' and 'Continue' buttons. The footer text reads: 'Current Page: Preparer Setup © 2011 NTS All Rights Reserved.'

Preparer Type – There are four types of preparers that can be assigned to each individual who will be preparing tax returns in your office.

- **Jr. Preparer** – A Jr. Preparer will have the ability to create and edit tax returns.
- **Preparer** – A preparer will have the ability to create and edit tax returns and submit returns for electronic filing.

- **Power Preparer** – A power preparer will have the ability to create and edit tax returns, submit returns for electronic filing, print checks and will have access to bank reports and IRS acknowledgements.
- **Manager** – A manager will have the ability to create and edit tax returns, submit returns for electronic filing and print checks. A power preparer will also have access to bank reports, IRS acknowledgements, master reports and will be able to edit configuration.

SSN – Although the tax preparer’s SSN no longer prints on any tax form, it is still an IRS required field on all electronically filed tax returns and must be entered on the Preparer Setup Menu.

Preparer Name – Enter the preparer’s first name, middle initial, last name, and if applicable a suffix.

PTIN – All paid tax return preparers who prepare all or substantially all of a tax return are required to obtain a PTIN. Access to the online application system can be found on the Tax Professionals page of IRS.gov. The preparer’s entire PTIN must be entered in the space provided. A PTIN will always start with the letter P and contain 8 subsequent digits. For more information on requirements for tax return preparers, see chapter 6.

Default Pin Number – The Default Pin Number is a (5) five digit number that is used in place of the tax preparer’s signature on all electronically filed tax returns. The preparer’s Default Pin Number can consist of any five (5) digits except all zeroes.

Self-Employed – If the preparer is self-employed, use the drop down box and select **Yes**.

Edit Login Account -

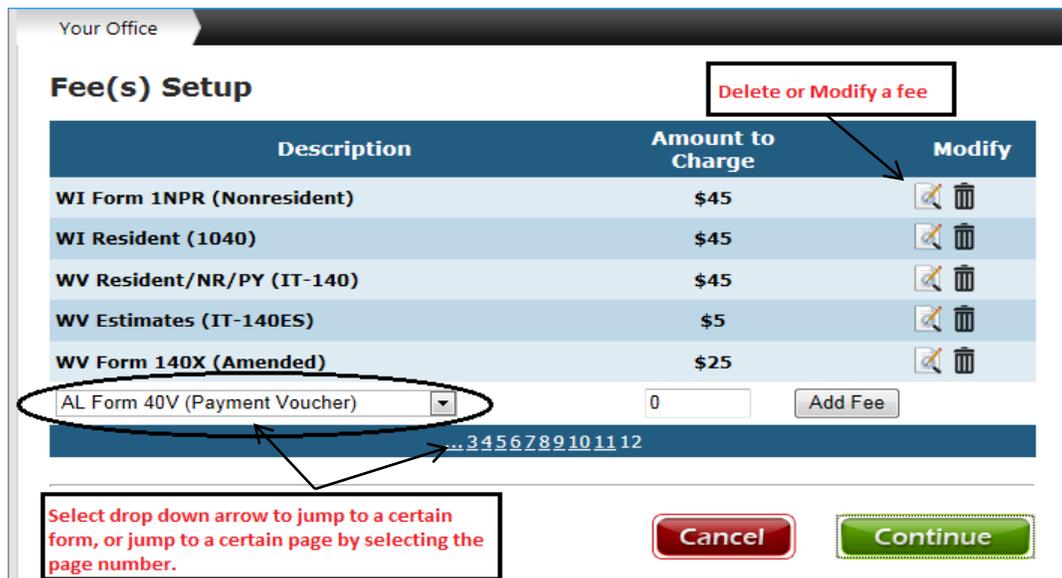
E-Mail Address – Enter the preparer’s email address. Only one (1) email address per preparer can be entered on this line.

User Name and Password – Enter a unique user name and password for each preparer who will have the ability to log into the program. Each time a preparer attempts to open the program, they will be prompted to enter this user name and password. A preparer’s user name cannot be changed once it is entered and you exit this menu. The password can contain any combination of numbers and letters. The length of the password can be between 1 and 15 characters. A security question and answer can be entered in the spaces provided. The security question will be used to identify the preparer in the event they forget their password and need to reset it. The preparer should also come up with a security question that they can answer in the event that they forget their password. Enter the security question and answer in the spaces provided. See page 95 for instructions on retrieving or resetting a password.

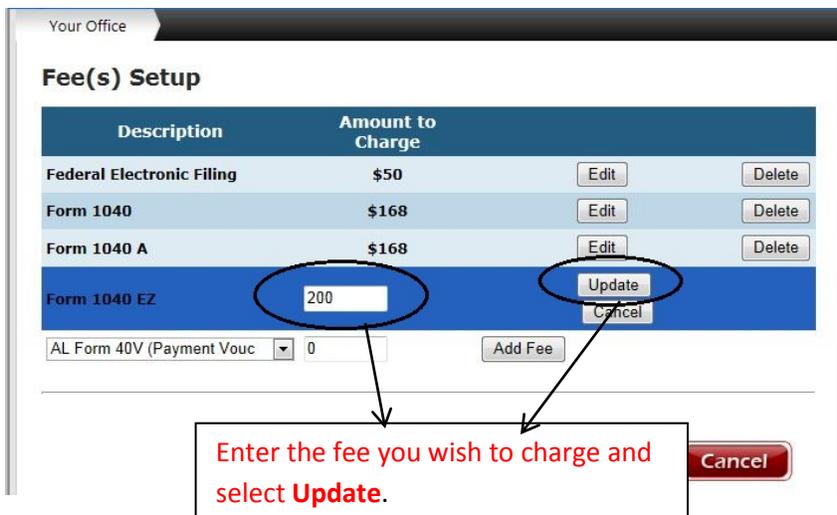
Is Active – Yes or No – A preparer can be temporarily or permanently deactivated by selecting **No** from the drop down box. Once deactivated, the preparer’s user name and password will not be recognized by the program. The preparer will not be able to log in to the program until the **Is Active** option is set back to **Yes**.

Fees Setup

To enter and/or edit your fees, select **Fees Setup**. To edit or delete an existing fee entry, select the fee entry from the list by selecting the edit or delete button. To add a new federal form fee or state form fee, select the form from the drop down list and assign a dollar value fee to the entry. Select the **Add Fee** button. You may assign fees to any supported federal or state form.



To delete a previously entered fee, select the delete button. To edit a previously entered fee select the **Edit** button. Enter the new fee into the space provided and select the **Update** button.



4. Reports – Print acknowledgements, bank reports, and old reports.

The **Reports** option enables you to print IRS and state acknowledgements, view and print bank reports, business reports and print mailing labels.

Reports

Print acks, bank reports, and old reports.

SELECT

You will receive various reports from the The tax program, the IRS, and possibly your bank. These reports include:

- **IRS Acknowledgements** – A list of acceptances and rejections from the IRS for electronically filed tax returns. Reject codes are listed for the returns that were rejected.
- **State Acknowledgements** – A list of state acceptances and rejections for electronically filed state returns. Reject codes are listed for the returns that were rejected.
- **Fee Deposits** – A list of preparation fees that your tax product bank has deposited into your bank account.
- **Fees Charged** - A list of the preparation fees charged by your office.

It is recommended that you check to see if you have received these types of reports several times every day. Additional reports that can be generated include:

- **Old Reports** – Select this option to view and/or print old IRS acknowledgements, old state acknowledgements and old fee deposits.
- **Inventory Report** – Select this option to view and/or print a list of completed returns, the fees charged for the returns, the type of return that was filed and the amount the client has paid.
- **New Business Report** – Select this option to view and/or print a list of receipts paid today.
- **Old Business Report** - Select this option to view and/or print a list of receipts paid prior to today.
- **Void Report** – Select this option to view and/or print a list of receipts that have been voided.
- **Returns Not Transmitted** – Select this option to view and/or print a report of all completed returns that have not been transmitted.
- **Transmitted Returns** – Select this option to view and/or print a report of all completed, transmitted tax returns.

See Appendix M- Appendix S for an example of each report.

5. Print Check(s)

The **Print Check(s)** option enables you to print checks for clients who have had their refunds funded through your bank product bank.

6. Prior Year Returns

- **Tax Year 2011 Returns** – Select this option to view, edit or create a 2011 tax return. Edit an existing 2011 tax return by selecting the blue **Select** button next to the client you would like to edit. To create a new 2011 tax return, scroll to the bottom of the page and select the **Create Prior Year Return** button.
- **Tax Year 2010 Returns** – Select this option to view, edit or create a 2010 tax return. Edit an existing 2010 tax return by selecting the blue **Select** button next to the client you would like to edit. To create a new 2010 tax return, scroll to the bottom of the page and select the **Create Prior Year Return** button.
- **Tax Year 2009 Returns**– Select this option to view, edit or create a 2009 tax return. Edit an existing 2009 tax return by selecting the blue **Select** button next to the client you would like to edit. To create a new 2009 tax return, scroll to the bottom of the page and select the **Create Prior Year Return** button.

Note: Both 2011 and 2012 tax returns can be electronically filed. For tax years prior to 2011, tax returns must be mailed. Refer to the mailing address link for information on where to mail a tax return.

Preparing a Tax Return

Federal Section

State Section

Summary

Chapter 2 – Preparing a Tax Return...

See Chapter 1, Section 1, **Start a Tax Return** for the basic steps in starting a new tax return.

1. Federal Section

The **Income** portion of the Federal Section is used to enter all items of income on the tax return. You will be given two options from the main income page.

The screenshot shows the 'Federal Section' of the software interface. At the top, there are navigation tabs: 'Your Office', 'Basic Information', 'Federal Section' (selected), 'State Section', 'Summary', and 'EFile'. Below these are sub-tabs: 'Income' (selected), 'Deductions', 'Other Taxes', 'Payments & Estimates', and 'Miscellaneous Forms'. The main heading is 'How would you like to input your Income?'. There are two main options: 'Guide Me Through Income' and 'Enter Income Myself'. The 'Guide Me' option includes a compass icon, a description: 'We will guide you step-by-step to ensure that you don't miss a thing and your return is done correctly the first time.', and a 'Guide Me' button. The 'Enter Income Myself' option includes the text 'Enter Income Myself' and an 'Enter Myself' button. A '-OR-' separator is between the two options. At the bottom left is a 'Back' button, and at the bottom right is a 'Skip This Section' button. A red note states: '*Recommended if this is your first time using Taxslayer Pro'. The 'Guide Me' button and the 'Enter Myself' button are circled in the image.

Select **Guide Me** to launch a step-by-step Income Wizard which will ask you a series of questions to help determine the various types of income that should be entered on the tax return. If you prefer to enter in items of income without the help of the Income Wizard, select **Enter Myself**. This will take you to the income entry screen which lists the various types of income that should be reported on the tax return. Select a **Begin** or an **Edit** button to enter an item of income.

Your Office > Basic Information > Federal Section > State Section > Summary > EFile

Income > Deductions > Other Taxes > Payments & Estimates > Miscellaneous Forms

Income

Wages and Salaries	EDIT
State and Local Refunds	BEGIN
Interest and Dividend Income	BEGIN
IRA/Pension and Social Security Benefits	BEGIN
Unemployment Compensation	BEGIN
Profit or Loss From A Business	EDIT
Rents and Royalties	BEGIN
Capital Gain and Losses	BEGIN
Profit or Loss From Farming	BEGIN
Alimony Received	BEGIN
Other Income	BEGIN

Back Continue To Next Step

Wages and Salaries – Select this option to enter W-2s as well as to edit or delete W-2s that have previously been entered. See Appendix A located in the back of the manual for a sample W-2 entry.

State and Local Refunds – If the taxpayer received a state income tax refund from the previous tax year and they also itemized deductions for the previous tax year, this refund is generally taxable in the current tax year. If the taxpayer did not itemize deductions in the previous year, the state or local refund is not considered taxable income.

- **Bypass State Refund Worksheet** – Enter the total amount from all 1099-G statements. This amount will be included on the tax return as taxable income.
- **Section 1 – State and Local Refunds Worksheet** – This worksheet should be used to determine the portion of the taxpayer’s prior year state refund that is considered taxable in the current year. You will need a copy of the taxpayer’s previous year return to complete this worksheet. Enter all amounts in the spaces provided. Based on the

entries made on the worksheet, the calculated taxable portion will be included on the return as taxable income.

- **Section 2** – For taxpayers who filed a MFS tax return in the previous year and were forced to itemize deductions because their spouse itemized deductions, enter the amount from all current year 1099-G statements. This amount will be included on the return as taxable income.

Interest and Dividend Income - Select this option to enter items reported on Forms 1099-INT and 1099-DIV.

The following information shown on **Form 1099-INT** is needed to complete the entry:

- **Box 1 – Interest Income:** The amount in Box 1 is taxable income and is reported on Form 1040 or on Schedule B on depending on the amount.
- **Box 2 – Early withdrawal penalty:** The amount in Box 2 is charged when a time investment such as a CD is withdrawn early. This amount may be used as an adjustment on Form 1040.
- **Box 3 – Interest on U.S. Savings Bonds and Treasury Obligations:** This is interest received from U.S. Savings Bonds or Treasury obligations. This interest is reported on Form 1040 or Schedule B (if required) and is generally taxable on your federal return but not taxable on your state return.

For further information and to see a sample 1099-INT, see Appendix B in the back of this manual.

The following information shown on **Form 1099-DIV** is needed or may be used to complete the entry:

- **Box 1 - Ordinary Dividends:** The amount in Box 1 is taxable income and is reported on Form 1040 or on Schedule B depending on the amount.
- **Box 2a - Capital Gains Distributions:** This amount is reported directly on Form 1040 or on Schedule D and may be eligible for a lower tax rate.
- **Box 6 – Foreign Tax Paid:** The amount in Box 6 is the taxes that were paid to a foreign government on international investments. This amount can be claimed as a tax credit or as an itemized deduction, whichever best benefits the taxpayer.

For further information and to see a sample 1099-DIV, see Appendix B in the back of this manual.

If the taxpayer earned interest from a bank in a foreign country, they may be required to report this information on Form TD F 90-22.1. Generally, any United States person that has a financial interest in or signature authority over foreign financial accounts must file a Report of Foreign Bank and Financial Accounts (FBAR) if the aggregate value of the foreign financial accounts

exceeds \$10,000 at any time during the year. The report must be received by the Department of Treasury on or before June 30th of the year immediately following the calendar year being reported.

IRA/Pension and Social Security Benefits

Add or Edit a 1099-R – Generally, distributions from pensions, annuities, profit-sharing and retirement plans, IRAs, insurance contracts, etc. are reported to recipients on Form **1099-R**. The information should be entered on the Form 1099-R entry screen exactly as is reported on the taxpayer’s paper Form 1099-R.

For a distribution that has been rolled over into another qualifying retirement plan, you will need to enter “0” in Box 2a. Also, enter the amount of the rollover in the Rollover or Disability section on the 1099-R entry screen. (If only a portion of the distribution was rolled over, enter the taxable amount in Box 2a and the amount rolled over in the Rollover and Distribution section.)

Distribution Code – The distribution code in Box 7 determines how the amount of the distribution is reported on the tax return and how the amount is taxed. For a list of distribution codes and their meanings, you can select the Learn More link located in Box 7 on the 1099-R entry screen.

Additional Tax on Early Distributions – Generally, if a 1099-R is received with a distribution code of either a **1** or **J**, the amount of the distribution is subject to an additional 10% early withdrawal penalty. If a 1099-R is received with a distribution code of **S**, the amount of the distribution is subject to an additional 25% early withdrawal penalty. The appropriate penalty will be automatically calculated by the software.

There are certain circumstances when the amount of the distribution or a portion of the distribution may be exempt from the additional tax. If you indicate on the Form 1099-R Distribution Penalty Menu that this is the case, you will need to enter the amount that qualifies for the penalty exclusion on Form 5329. Form 5329 can be accessed by selecting Federal Section, Other Taxes and Tax on Early Distribution (Form 5329).

The majority of early distributions will be reported on Form 5329, Part I. Enter the amount of the early distribution that is not subject to the 10% tax. Select the reason for the exemption from the drop down menu. When you have completed these entries, select **Continue To Next Step**.

Deferred taxable ROTH conversions from 2010 – If a taxpayer opted to split the taxable amount of their ROTH conversions from their 2010 tax return between tax years 2011 and 2012, enter the applicable amounts from the taxpayer’s 2011 tax return in the spaces provided.

RRB-1099-R - The RRB-1099-R Information Edit Screen is very similar to the 1099-R entry screen. You should enter the amounts in the spaces provided exactly how they appear on your client's paper RRB-1099-R.

Social Security Benefits - Enter your client's Social Security Benefits in this option of the Income Menu and the program will automatically determine the taxable amount, if any. A social security worksheet will print with the tax return to show how the taxable amount was calculated.

Nontaxable Distributions - If any of the following exceptions apply to your client, check the appropriate box and subtract the amount out of the nontaxable distribution from the amount you would otherwise enter in Box 2a of Form 1099-R. Do not include the nontaxable distribution amount in Box 2a of Form 1099-R.

- The distribution was a qualified charitable distribution (QCB)
- The distribution was a qualified health savings account funding distribution
- Your client is a retired public safety officer, and part of their distribution was used to pay the premiums for accident or health insurance, or to pay long-term care insurance.

Unemployment Compensation

Your client must include in income, all unemployment compensation received. Your client should furnish you with a *Form 1099-G – Certain Government Payments* showing the amount paid. Unemployment compensation generally includes any amount received under an unemployment compensation law of the United States or of a state.

Repayment of Unemployment

Current Year - Enter in the space provided the taxpayer's and/or spouse's current year unemployment repayments.

Prior Year – If your client repaid unemployment from a prior year, include the amount on Schedule A, Repayment Under Claim of Right, if the amount was less than \$3000. If the amount was more than \$3,000, you can claim it as an itemized deduction or as a credit on Form 1040, whichever results in less tax liability for your client.

Profit or Loss From A Business

This option will take you directly to the Schedule C Menu to enter small business or self-employment information. **Generally, the IRS requires that income from Form 1099-MISC be reported on Schedule C.** Deductible business expenses are also reported on the Schedule C. Examples of deductible business expenses include advertising, insurance, legal and professional services, office expenses, and rent or lease expenses. The net profit or net loss will be shown on the 1040.

If net earnings are \$400 or more, that amount will also be shown on the Schedule SE. The Schedule SE is automatically generated by the program, and figures the amount of self-employment tax that may be owed on the business income.

Begin by entering in the basic information for the business. Select whether the business belongs to the taxpayer or spouse. If the business has a separate name, enter the name of the business. Next, if the business has an EIN, enter it in the space provided. Do not enter a social security number as the EIN. If the EIN is the taxpayer or spouse's SSN, leave this field blank. Next enter the business code and principle business applicable to the type of the business. If you are unsure of the business code or the principle business, click on the link below the entry spaces to view a list of these items. Enter the business address and select **Continue To Next Step**.

The Schedule C menu lists several sections where business activities can be entered:

The screenshot shows a web interface for the Schedule C menu. At the top, there is a breadcrumb trail: Income > Deductions > Other Taxes > Payments & Estimates > Miscellaneous Forms. Below this, the title "Schedule C" is displayed. The main content area consists of a list of sections, each with a corresponding button: "Basic Information About Your Business" (EDIT), "Questions About the Operation of Your Business" (BEGIN), "Income" (BEGIN), "Cost of Goods Sold" (BEGIN), "General Expenses" (BEGIN), "Car And Truck Expenses" (BEGIN), "Depreciation" (BEGIN), "Other Expenses" (BEGIN), "Expenses for Business Use of Your Home" (with a "Learn more" link and a BEGIN button), and "Restart Schedule C Wizard" (BEGIN). At the bottom right of the menu, there is a prominent green button labeled "Continue To Next Step".

Basic information About Your Business – Edit the information about the business that was entered when you created the Schedule C entry. This includes ownership of the business, business name and address, Employer ID, Principle Business Code, etc.

Questions About the Operation of Your Business – The questions in this section are defaulted to the most common answers for most businesses. Place a check in each box that is applicable to the business. If the business had a prior year unallowed loss, enter the amount in the space provided, but only if there is a profit for the current year.

Income – The Income Menu allows you to report all income that the business received during the current year.

If a Form W-2 was received and the “Statutory employee” box in box 13 of that form is checked, the income is required to be reported on Schedule C. Any expenses related to this income can also be reported in the expenses section of the Schedule C.

Any returns and allowances incurred by the business are also reported on the Schedule C Income menu and are subtracted from gross income.

Cost of Goods Sold – In most cases inventory must be taken into account at the beginning and end of the tax year. Enter the amount on each menu item as applicable.

General Expenses - The General Expenses Menu allows you to enter the dollar amounts for any expense that may have been incurred in relation to the business.

Car and Truck Expenses - You can choose to deduct the standard mileage rate or actual expenses and depreciation. If you choose to deduct the standard mileage rate, you should enter the information in the Car and Truck Expenses Menu. To enter car and truck expenses in The tax program, you will need the following information: *the date the vehicle was placed in service; the total mileage; and the total number of business miles*. Once you have entered the basic information about the vehicle, answer the four questions at the bottom of the menu and select **Continue To Next Step**. The program will automatically calculate the deductible standard mileage deduction to be included in car and truck expenses.

Depreciation – If you choose to deduct actual expenses and depreciation, you should enter the information about each asset in the depreciation menu. Start by selecting **Begin** in the *Assets* row of the Form 4562 – Depreciation menu. There are two main sections on the Depreciation Input menu, *Basic Information* and *Listed Auto Information*. The *Basic Information* section should be filled out for every asset that will be depreciated. Information needed to fill out this section includes a description of the asset, the date the asset was placed in service, the cost of the asset, and the percentage of business use. If the asset is considered listed property the percentage of business use will be calculated automatically and printed on Form 4852. Additional information that is needed if applicable, is any prior year special depreciation that was taken, accumulated depreciation from prior years and the depreciation method that will be used to depreciate the asset.

To dispose of an asset, enter the date in the space provided, and complete Form 4797 located in the Other Income Menu.

Your Office > Basic Information > Federal Section > State Section > Summary > EFile

Depreciation Input

Basic Information

Description of asset:

Date placed in service: mm/dd/yyyy

Cost: \$

Percentage of business use: %

Section 179 deduction: \$

CAUTION: Current Year Section 179 Limitations are not calculated by the system. Enter only the Section 179 Expense that is within limits. **YOU** must ensure that the amount entered is allowable. For more information see Help Article "Section 179 Deduction Limitations".

Prior year special depreciation (9/11): \$

Accumulated depreciation: \$

Depreciation method:

Check here if this is a mid-quarter property:

If asset was disposed enter the date of disposition here:
Note: Please fill out a form 4797 if this asset is taxable.

mm/dd/yyyy

Check here if you would like to opt out of special depreciation:

Check this box if the asset was placed in service mid-quarter.

Check this box to opt out of special depreciation.

The second part of the depreciation input menu is the *Listed Property Information* section. This section should only be filled out for assets that are considered to be listed property. Assets that are considered listed property include vehicles, computer equipment, and cell phones.

Place a checkmark in the designated box if the asset is considered to be listed property. If the asset is a vehicle, continue to complete the form by entering the total business/investment miles, commuting miles and personal miles that were put on the vehicle during the current year. The amounts entered for each kind of mileage will determine the business use percentage of the vehicle. Next, enter in the actual expenses that were incurred for the vehicle, and answer the questions at the bottom of the form by placing a checkmark in each box that applies to this asset. When you have finished, select **Continue To Next Step**.

Listed Property Information

Note: Complete this section ONLY if this asset is a Listed Property.

Check here if this is a listed property:

Select the type of listed property:

Listed Auto Information

Note: Complete the following section ONLY if you chose AUTO above:

Total business/investment miles:

Total commuting miles driven:

Total other personal miles driven:

Actual Expenses: \$

Check all that apply:

This vehicle was used by a rural mail carrier:

The vehicle was available for personal use during off-duty hours:

The vehicle was used by more than 5% owner or related person:

Another vehicle was available for personal use:

Read each statement and place a checkmark in each box that applies to this vehicle.

Form 4562 questions – Select **Begin** in the *Questions* row of the Form 4562 – Depreciation menu. Read each question and place a checkmark in each box that applies to the asset. When you have placed a checkmark for each applicable statement, select **Continue To Next Step**.

Your Office > Basic Information > Federal Section > State Section > Summary > EFile

Form 4562 Questions

Check here if you have evidence to support your deduction.

Check here if this evidence is written.

Check here if you have a written policy prohibiting personal use including commute.

Check here if you have a written policy prohibiting personal use except commute.

Check here if you treat all use of vehicles by employees as personal use.

Check here if you provide more than 5 vehicles to your employees.

Check here if you meet requirements concerning qualified auto demonstration use.

Read each statement and place a checkmark in each box that applies to this vehicle.

test

Other Expenses – The other expenses menu allows you to enter a description and a dollar amount for other expenses that are not included on any other section of the Schedule C.

Expenses for Business Use of Your Home – This menu allows you to access Form 8829 to deduct expenses for business use of the home. To deduct expenses for business use of the home, part of the home must be used regularly and exclusively as one of the following:

1. The principal place of business for this trade or business
2. The place where the taxpayer meets and deals with patients, clients, or customers in the normal course of this trade or business, or
3. In connection with this trade or business, if a separate structure is used that is not attached to the taxpayer's home.

To determine how much your client can deduct, you must enter the number of square feet used for the home business as well as the total area of the home. The program will use these two entries to figure the percentage of your client's home that is used for business. This percentage determines how much of the rent, depreciation, insurance, utilities and other related expenses your client can deduct.

Note. The business portion of your client's home mortgage interest and real estate taxes is claimed on Form 8829 and cannot be claimed again as an itemized deduction on Schedule A of the return.

You must separate all of the home-business expenses into two categories, "direct" and "indirect" expenses. The home office area is a **direct** expense. Other costs, utility bills, insurance, etc., are **indirect** expenses. Another example of a direct expense would be if your client had to paint or install carpet for that office space. An indirect expense would be mortgage interest, real estate taxes, insurance, repairs and maintenance, and utilities.

Deductions Learn more		Direct Expenses	Indirect Expenses
Casualty losses:	\$	<input type="text"/>	\$ <input type="text"/>
Deductible mortgage interest:	\$	<input type="text"/>	\$ <input type="text"/>
Real estate taxes:	\$	<input type="text"/>	\$ <input type="text"/>
Excess mortgage interest:	\$	<input type="text"/>	\$ <input type="text"/>
Insurance:	\$	<input type="text"/>	\$ <input type="text"/>
Rent:	\$	<input type="text"/>	\$ <input type="text"/>
Repairs and maintenance:	\$	<input type="text"/>	\$ <input type="text"/>
Utilities:	\$	<input type="text"/>	\$ <input type="text"/>
Other expenses:	\$	<input type="text"/>	\$ <input type="text"/>

Enter expenses that are directly related to **ONLY** the business area of the home in this column.

Enter expenses that are not directly related to **ONLY** the business area of the home in this column.

For the tax savings on indirect expenses, the program applies the percentage of the home used for the business to household utilities, repairs, taxes, homeowner's insurance and the like. *The amount of the home office deduction cannot be greater than the profit generated by the home-based business.*

Rents and Royalties – Use the Rents and Royalties menu to report income or loss from rental real estate. To enter a rental property, you will need to know the type of property, the street address of the property, the number of days that the property was rented at fair market value, the number of days that the property was used for personal purposes and if the taxpayer actively participated in the day to day operations of renting the property.

Active participation – The taxpayer must have participated in making management decisions or arranging for others to provide services (such as repairs) in a significant and *bona fide* sense. Management decisions include approving new tenants, deciding on rental terms, approving capital or repair expenditures and other similar decisions.

Capital Gains and Losses – The Capital Gains and Losses menu allows you to enter information about the taxpayer's sale of capital assets such as stocks, bonds and the sale of a main home.

Profit or Loss From Farming - Farmers must report their income from farming in a variety of different ways. If your client is in the trade or business of farming, your client must complete and file Schedule F, along with IRS Form 1040. This Schedule F is very similar to Schedule C, and most of the expense deductions, tax credits, and gains and losses are computed using the same rules.

Gross income from farming is income from cultivating the soil or raising agricultural commodities. It includes the following:

- income from operating a stock, dairy, poultry, bee, fruit, or truck farm
- income from a plantation, ranch, nursery, range, orchard, or oyster bed
- crop shares for the use of your land
- gains from the sales of draft, breeding, dairy, or sporting livestock

Gross income from farming includes farm rental income and expenses reported to the IRS, your share of a partnership's or S corporation's gross income from farming, your share of distributable net income from farming of an estate or trust, and your gains from sales of draft, breeding, dairy, or sporting livestock. Wages you receive as a farm employee or from a farm corporation are not gross income from farming.

Alimony Received- Alimony is a payment to or for a spouse or former spouse under a divorce or separation instrument. *It does not include child support.* Amounts received for child support are not considered income. Alimony is deductible by the payer and must be included in the spouse's or former spouse's income.

Other Income - Use the **Other Income** menu to report any income not reported elsewhere on the tax return. List the type and the amount of income. If necessary, show the required information on an attached statement. You must include on the return all income received in the form of money, property, and services unless the tax law states that it does not need to be included.

Gambling Winnings - Gambling winnings are reported to the taxpayer on Form W-2G and are fully taxable and must be reported as income on the tax return. Gambling income includes, but is not limited to, winnings from lotteries, raffles, horse and dog races and casinos, as well as the fair market value of prizes such as cars, houses, trips or other noncash prizes.

Other Compensation – Use the Other Compensation menu to report scholarships and grants, taxable fringe benefits, household employee income and prisoner earned income.

Payments from Qualified Education Programs - Gross distributions from a qualified tuition program (529 plans) or from a Coverdell Education Savings Account reported in box 1 include both earnings (reported in box 2) and basis (reported in box 3). The distribution generally is not taxable if it was used to pay for qualified education expenses, transferred between trustees, or rolled over into another qualified program within 60 days. Otherwise it may have to be included as income on Form 1040. There may also be an additional tax on the amount that is included in income. The additional tax is reported on Form 5329. For more information, see the instructions for Form 5329.

Cancellation of Debt - – If a Federal Government agency, certain agencies connected with the Federal Government, financial institution, credit union, or an organization having a significant trade or business of lending money (such as a finance or credit card company) cancels or forgives a debt of \$600 or more, this form must be provided to you. Generally, if you are an individual, you must include all canceled amounts, even if less than \$600, on the “Other income” line of Form 1040. For more information, see the instructions for Form 1099-C or Appendix C for a sample 1099-C.

Installment Sale Income - An installment sale occurs when your client sells an asset to someone who will pay in payments (installments) rather than all at once up front. If the payments extend over more than one tax year, your client may be able to report the gain using the installment method, which would allow him or her to claim only a portion of the total gain each year based

on the amount actually received that year. **Installment Sales are reported on Form 6252** and are frequently used when businesses or business assets are sold.

Sale of Business Property - If your client sells or disposes of property used in a trade or business, it must be reported on IRS **Form 4797**, Sales of Business Property. This form is divided into several sections, which are used for different types of property. Use the Sale of Business Property menu to report the sale of any of the items below:

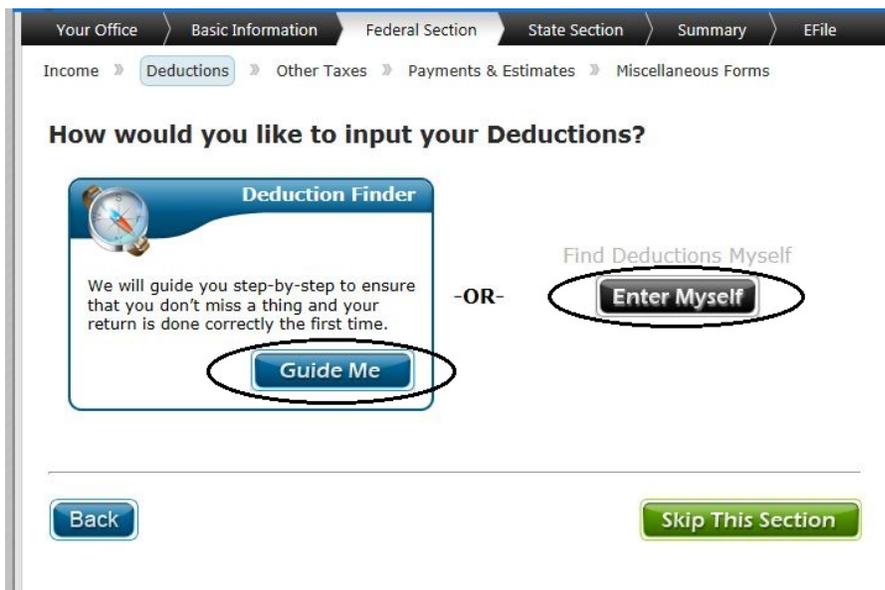
- Property used in your client’s trade or business
- Depreciable and amortizable property
- Oil, gas, geothermal, or other mineral properties
- Section 126 property

K-1 Earnings – The K-1 Earnings menu allows you to enter all items of income, deductions, etc. that were reported to your client on Form K-1 from either a partnership, S-Corporation, or trust. Enter the amounts from the K-1 in the spaces provided exactly as they appear on your client’s paper K-1.

Foreign Earned Income Exclusion - United States Citizens and resident aliens who live and work abroad may be able to exclude all or part of their foreign salary or wages from their income when filing their U.S. federal tax return. They may also qualify to exclude compensation for their personal services or certain foreign housing costs. Use the Foreign Earned Income Exclusion menu to exclude all or part of your client’s foreign earned income reported elsewhere on the return.

When you have entered in all income items, or if you do not have any items of income to enter, select the **Continue To Next Step** button.

The **Deductions** portion of the Federal Section is used to enter any deductions the taxpayer will claim on their tax return. You will be given two options from the main deductions page.



Select **Guide Me** to launch a step-by-step Deductions Wizard which will ask you a series of questions to help determine the various types of deductions that should be entered on the tax return. If you prefer to enter in deductions without the help of the Deductions Wizard, select **Enter Myself**. This will take you to the deductions screen which lists the various types of deductions that can be claimed on the tax return. Select a **Begin** or an **Edit** button to enter a deduction.

Adjustments

Medical Savings Account (Form 8853)

The Medical Savings Account Form in The tax program must be input manually. Distributions from a Medical Savings Account are reported to recipients on Form 1099-MSA.

Educator Expenses – Teachers and other educators can deduct as much as \$250 that they spent to purchase classroom supplies.

Expenses for Reservists and Performing Artists – National Guard and reserve members may qualify for special consideration. Those who travel over 100 miles from home to perform services as an armed forces reservist get to claim related business expenses on Line 24 of Form 1040 after completing Form 2106.

Health Savings Account (Form 8889) – If contributions (other than employer contributions) were made to your client's health savings account, your client may be able to take this deduction.

Moving Expenses (Form 3903) – This option in the Adjustments Menu allows you to enter any Moving Expenses that your client may have. Form 3903 is used to calculate your client's moving expenses to a new principal place of work within the United States or outside of the United States. There are two tests that need to be met. The first test is the 50-mile test. The distance between your client's new job location and your client's former home must be at least 50 miles more than the distance between your client's former home and your client's former job location. The second test is that your client must be a full-time employee for 39 weeks during the 12-month period immediately following your client's arrival.

Contributions to SEP, SIMPLE and Qualified Plans – To qualify for this adjustment, your client must have self-employment income. Self-employment income consists of net profits from a Schedule C or Schedule F, or guaranteed payments from a partnership. Additionally, your client must set up and fund a qualified retirement plan, such as a SEP-IRA, SIMPLE-IRA, or Keogh-type pension plan.

"SEP, SIMPLE, and qualified plans offer you and your employees a tax-favored way to save for retirement. You can deduct contributions you make to the plan for your employees. If you are a sole proprietor, you can deduct contributions you make to the plan for yourself. You can also deduct trustees' fees if contributions to the plan do not cover them. Earnings on the

contributions are generally tax free until you or your employees receive distributions from the plan." (IRS Publication 560)

Self-Employed Health Insurance

Selecting this menu option allows you to enter your client's information for the Self-Employed Health Insurance Deduction Worksheet.

Penalty on Early Withdrawal

This is the penalty your client pays for withdrawing money from a savings plan, such as a certificate of deposit (CD), before its maturity date. For instance, if your client has a 2-year CD, but he or she withdraws the money after only one year, the bank may charge a penalty. You report the interest income in full, but you are allowed to take an adjustment to your client's gross income for the penalty.

Alimony Paid

This is money paid to a spouse or former spouse as a result of a written separation agreement or a court order in a separate maintenance agreement or divorce decree. Alimony and separate maintenance payments are taxable income to the receiver and deductible before adjusted gross income for the payer.

IRA Deduction (Not Roth IRA)

Your client may furnish you with *Form 5498-IRA Contribution Information*.

Form 5498 - Box 1 – IRA Contributions – is for reporting contributions (deductible and nondeductible) to a Classic Individual Retirement Annuity (IRA) for the tax-reporting year. Use this menu option to enter these amounts as an adjustment to income.

Nondeductible IRAs (Form 8606)

This menu option is the entry point for Form 8606, which covers: Nondeductible Contributions to IRAs; Traditional IRA Distributions Received During the Tax Year; Net Amount of Traditional IRAs Converted to Roth IRAs; Distributions From Roth IRAs; and Distributions From Educational IRAs.

For detailed questions concerning Form 8606, see IRS Publication 590 – Individual Retirement Arrangements.

Student Loan Interest Deduction

The deduction is claimed as an adjustment to income so your client does not need to itemize deductions on Schedule A.

A qualified student loan is a loan your client took out to pay qualified expenses. The expenses must have been:

- For your client, your client's spouse, or a person who was your client's dependent when the loan was taken out

- Paid or incurred within a reasonable time before or after your client took out the loan, and
- For education furnished during a period when the recipient was an eligible student.

Qualified higher education expenses are the costs of attending an eligible educational institution, including graduate school. These costs include tuition, fees, room and board, books, equipment, and other necessary expenses, such as transportation. (See IRS Publication 17 for additional information.)

Tuition and Fees Deduction (Form 8917)

If your client's Adjusted Gross Income is \$80,000 or less (\$160,000 or less if filing a joint return) your client may be eligible to deduct up to \$4,000 of tuition and fees paid to an eligible institution of higher education even if he / she doesn't itemize deductions. Before you claim the deduction on the return, check to see if one of the education credits provides a larger benefit. Your client may not claim the adjustment if the credit is claimed. 2011 is scheduled to be the last year that taxpayers can take this deduction.

Domestic Production (Form 8903)

For more information on this adjustment, see the instructions for Form 8903.

The **Other Adjustments Menu** will offer up to several "Other Adjustment" menu entries for adjustments to income in addition to those previously described.

Standard Deduction

The standard deduction is automatically calculated based on your filing status and compared to your itemized deductions. The deduction that benefits you most will be used on your tax return.

Itemized Deductions

In lieu of the Standard Deduction, the IRS allows deductions for certain expenditures. These Itemized deductions include expenditures such as mortgage interest, property taxes, etc. which are deductible on Schedule A, allowing a taxpayer to reduce their Adjusted Gross Income (AGI) on their tax return. Under this section you will be able to enter:

Medical and Dental Expenses

These are your client's reasonable and necessary unreimbursed expenses relating to health care for your client and dependents. This includes, but is not limited to, expenses for doctors, dentists, and hospitals, transportation to medical care, prescriptions, and health insurance premiums. Your client can deduct the portion of his or her medical expenses with itemized deductions that exceeds 7.5 percent of your client's adjusted gross income (AGI).

Taxes You Paid

- **Total State and Local General Sales Taxes**

Any income taxes that your client paid to the state are deductible. The tax program will automatically pull the state withholdings from your client's W-2s to the Schedule A. Rather than use the income taxes paid to the state, your client can elect to deduct state and local general sales taxes. The tax program software will calculate whether the state and local income tax withheld is greater than the state and local sales taxes, and use the greater amount for the deduction.

- **Real Estate Taxes**

Any tax your client paid for real estate property is deductible. The tax is deductible on ALL real estate property that is owned and that your client paid the tax on during the current tax year.

- **Personal Property Taxes**

Enter personal property tax paid by your client, but only if it is based on value alone, and it is charged on a yearly basis (for example, ad valorem tax on car tags).

Mortgage Interest and Expenses

Interest paid on qualified mortgages, home equity loans and land may be reported here. This is a straight deduction without a minimum amount to meet.

Your client can deduct home mortgage interest if all of the following conditions are met: (1) Your client must itemize deductions on Schedule A; (2) Your client must be legally liable for the loan; (3) The mortgage must be a secured debt on a qualified home. (See IRS Publication 936). The interest that your client paid will be reported on **Form 1098**.

There are some requirements that must be met for the interest on a home mortgage to be deductible:

- The mortgage was obtained to build or purchase a home
- The mortgage must be secured by the home
- Each year, the mortgage interest must be less than the year before

Up to \$100,000 of interest paid on a home equity loan is deductible. There are only two core requirements for home equity loans.

- The loan must exceed the amount still owed on the house
- The loan must be used for something other than improving the house
- **Points** are an upfront or prepaid interest charge on a mortgage. These points are deductible in full in the year that they are incurred as long as the mortgage is used solely for the house and not any other item.

- **Primary Mortgage Insurance (PMI) Premiums:** that your client paid for “primary mortgage insurance” during 2012 in connection with home acquisition debt on a qualified home are deductible as home mortgage interest.

Gifts to Charity – Form 8283

Charitable Contributions are recorded in Itemized Deductions using this menu option. **Form 8283 – Noncash Charitable Contributions** (to be used if the total deduction is over \$500) is accessed from this menu.

If your client made total noncash gifts over \$500 for the year, you must complete and attach to your client's tax return IRS Form 8283. If any single gift or group of similar gifts was valued at over \$5,000, you must also get an appraisal of the item from a qualified appraiser.

Unreimbursed Employee Business Expense

If your client paid for expenses related to their job during the tax year, many of these expenses may be eligible to be deducted on their tax return.

For the expense to be deductible, it must be a common, helpful, and appropriate expense for your client's field of work. An expense does not necessarily have to be “required” for it to be deductible. However, if your client's employer reimbursed them for the expense, it cannot be included in their deduction.

Deductible expenses generally fall into one of two categories: job-specific expenses and travel-related expenses.

Examples of job-specific expenses:

- Safety equipment, small tools, and supplies needed for your job.
- Uniforms required by your employer that are not suitable for ordinary wear.
- Protective clothing required in your work, such as hard hats, safety shoes, and glasses.
- Physical examinations required by your employer.
- Passport for a business trip.
- Job search expenses in your present occupation.
- Depreciation on a computer your employer requires you to use in your work.
- Dues to professional organizations and chambers of commerce.
- Licenses and regulatory fees.
- Subscriptions to professional journals.
- Occupational taxes.
- Union dues and expenses.
- Fees to employment agencies and other costs to look for a new job in your present occupation, even if you do not get a new job.
- Certain work-related educational expenses.

For a complete list of expenses, see IRS Publication 529.

Job-Related Travel Expenses (Form 2106)

Travel expenses are expenses that were paid in relation to transportation or travel for business. For a travel expense to qualify for a deduction, the travel must have been primarily in relation to your client's job.

Qualifying travel expenses include: parking fees, tolls, transportation (such as taxis and shuttles), lodging, airplane travel, car rental for business purposes, and expenses for the business use of your personal vehicle (such as mileage). Also, any meals and entertainment expenses related to business purposes would be considered a travel expense.

Miscellaneous Deductions

Deductions Not Subject to the 2% Limit

- Gambling losses *up to the amount of gambling winnings* incurred in the tax year
- Impairment related to work expenses if you have a physical or mental disability that limits your employment or your major life activities
- If you had to repay more than \$3,000 of income that was included in your income for an earlier year (this is known as a "claim of right.")

Less Common Deductions

- **Casualties and Losses** - If your client has suffered the results of a theft, accident, fire, flood, or some other casualty during the year, he or she may be able to deduct some of the unreimbursed losses.

The screenshot shows a software interface for entering Form 4684 data. The navigation bar at the top includes: Your Office, Basic Information, Federal Section, State Section, Summary, and EFile. The breadcrumb trail is: Income > Deductions > Other Taxes > Payments & Estimates > Miscellaneous Forms. The main heading is "Form 4684 Casualties and Thefts". The form fields are as follows:

Property type:	<input type="text"/>
Property location:	<input type="text"/>
Date property acquired (mm/dd/yyyy):	-- -- -- -- mm/dd/yyyy
Cost or other basis of property:	\$ <input type="text"/>
Insurance or other reimbursement:	\$ <input type="text"/>
Fair market value before the casualty / theft:	\$ <input type="text"/>
Fair market value after the casualty / theft:	\$ <input type="text"/>
Does this casualty include a loss from a Disaster declared a Federal Disaster in tax years beginning after 2007 and before 2011?	<input type="button" value="No"/>

At the bottom of the form are two buttons: "Cancel" (red) and "Continue To Next Step" (green).

- **Business Use of Home** – You are able to take this deduction on you Schedule C or Itemized Deductions, but not both.
- **Investment Interest** - Investment interest is interest that was paid on money that was borrowed to buy property that is held for investment. If your client paid this type of interest, they may be eligible for a deduction.

Examples of this type of interest include:

- Interest that was paid on securities in a margin account
- Interest that was paid on a loan that your client took out to invest in a business with someone else
- Interest that was paid on a loan that your client used to buy stocks

Credits Menu

Foreign Tax Credit – Form 1116

Generally speaking, a client's Foreign Tax Credit will not exceed \$300, so in most cases you will use option (1) from the Foreign Tax Credit Menu to calculate this credit. This amount will be entered in as a "plug-in" figure in the program.

Your client can claim a credit for foreign income taxes, or taxes imposed by possessions of the U.S., that were paid or accrued during the tax year. For example, your client might have become liable for foreign taxes on profits from overseas operations or investments. Your client can elect to deduct these taxes instead of taking the credit, if he or she prefers, although claiming the credit will generally save your client more money. The credit is claimed on Form 1116, *Foreign Tax Credit*.

Child Care Credit – Form 2441

To claim the credit for child and dependent care expenses, you need to fill out Parts I and II of IRS Form 2441, *Child and Dependent Care Expenses*.

This form requires your client to provide identification information for both the care provider(s) and the qualifying children or disabled persons. The form helps to compute the credit by comparing allowable expenses with the client's wages and other earnings (and those of the spouse, if married). The credit amount as shown on Line 11 of the 2441 is carried to Line 48 of the Form 1040, where it will be directly subtracted from the taxes your client owes.

In the Form 2441 Menu, be sure to start with the Amount Paid to Child Care Providers. For the return to be accepted electronically, this information will have to be filled out correctly. **The tax return cannot be filed electronically without a valid Employer Identification Number or Social Security Number for the Daycare Provider.**

How to fill out the Taxpayer's Earned Income, or the Spouse's Earned Income, on Form 2441, if one is a full-time student or disabled: If you are filing a joint return for your client, and either the taxpayer or spouse was a full-time student or disabled, the Earned Income to be placed in the program for the non-working spouse is \$250 per month (\$500 per month if more than one

qualifying person was cared for during the year). For example, if the taxpayer's wife is attending college full-time, and the couple has one child in daycare, you would enter \$3000 in The tax program Form 2441 menu.

Education Credits – Form 8863

- **American Opportunity Credit:**

The **American Opportunity Tax Credit** is a refundable tax credit for undergraduate college education expenses. This credit provides up to \$2,500 in tax credits on the first \$4,000 of qualifying educational expenses. The tax credit is scheduled to have a limited life span: it will be available only for the years **2009 through 2012**, unless Congress decides to extend the credit to other years.

- **Lifetime Learning Credit:**

Students are not required to be enrolled at least half-time in one of the first two years of postsecondary education. The credit is available for all years of postsecondary education and for courses to acquire or improve job skills.

Retirement Savings Credit – Form 8880

In an effort to encourage lower- and moderate-income workers to set money aside for retirement, Congress created as part of the Tax Relief Act of 2001 a temporary new tax credit for contributions to IRAs, 401(k)s and other employer-sponsored retirement plans.

If your client made eligible contributions to an employer-sponsored retirement plan or to an individual retirement arrangement, they may be eligible for a tax credit, depending on their age and income.

Retirement Savings Credit:

1. Income limits: The Savers Credit, formally known as the Retirement Savings Contributions Credit, applies to individuals with a filing status and 2011 income of:

- Single, married filing separately, or qualifying widow(er), with income up to \$28,250
- Head of Household with income up to \$42,375
- Married Filing Jointly, with incomes up to \$56,500

2. Eligibility requirements: To be eligible for the credit your client must be at least 18 years of age, cannot have been a full-time student during the calendar year and cannot be claimed as a dependent on another person's return.

3. Credit amount: If your client made eligible contributions to a qualified IRA, 401(k) and certain other retirement plans, they may be able to take a credit of up to \$1,000 (\$2,000 if filing jointly). The credit is a percentage of the qualifying contribution amount, with the highest rate for taxpayers with the least income.

4. Distributions: When figuring this credit, you generally must subtract distributions your client received from their retirement plans from the contributions that they made. This rule applies to distributions received in the two years before the year the credit is claimed, the year the credit is claimed, and the period after the end of the credit year but before the due date - including extensions - for filing the return for the credit year.

5. Other tax benefits: The Retirement Savings Contributions Credit is in addition to other tax benefits your client may receive for retirement contributions. For example, most workers at these income levels may deduct all or part of their contributions to a traditional IRA. Contributions to a regular 401(k) plan are not subject to income tax until withdrawn from the plan.

6. Forms to use: To claim the credit use Form 8880, Credit for Qualified Retirement Savings Contributions.

You may be able to take this credit if your taxpayer, or their spouse if filing jointly, made:

Contributions (other than rollover contributions) to a traditional or Roth IRA,

Elective deferrals to a 401(k) or 403(b) plan (including designated Roth contributions) or to a governmental 457, SEP, or SIMPLE plan,

Voluntary employee contributions to a qualified retirement plan (including the federal Thrift Savings Plan), or

Contributions to a 501(c)(18)(D) plan.

Your client is not eligible to take the Retirement Savings Credit if either of the following applies:

- AGI is more than \$28,250 (\$42,375 if filing as Head of Household, \$56,500 if Married Filing Jointly)
- The person(s) who made the contributions or elective deferrals was
 - Born after January 1, 1994 (for the 2012 tax filing)
 - Is a student (see below), or
 - Is being claimed as a dependent on someone else's 2012 return.

Student: The taxpayer (or spouse if MFJ) is considered a "student" if, during *any part* of 5 calendar months during the tax year they either:

- Were enrolled as a full-time student at a school, or
- Took a full-time, on-farm training course given by a school or a state, county, or local government agency.

A "school" includes technical, trade, and mechanical schools. It does not include on-the-job training courses, correspondence schools, or schools offering courses only through the internet.

Residential Energy Credit

Your client may be eligible to take this credit if they made qualified energy saving improvements to their home located in the United States in 2012. For credit purposes, costs are treated as being paid when the original installation of the item is completed, or in the case of costs connected with the construction or reconstruction of the home, when the original use of the constructed or reconstructed home begins. If less than 80% of the use of an item is for nonbusiness purposes, only that portion of the costs that are allocable to the nonbusiness use can be used to determine the credit.

Home: A home is where the taxpayer lived in 2012 and may include a house, houseboat, mobile home, cooperative apartment, condominium, and a manufactured home that conforms to Federal Manufactured Home Construction and Safety Standards. The basis of the home must be reduced by the amount of any credits allowed.

Main home: The main home is generally the home where the taxpayer lives most of the time. A temporary absence due to special circumstances, such as illness, education, business, military service, or vacation, will not change the main home.

Adoption Credit – Form 8839

Your client may qualify for the adoption tax credit if they adopted a child and paid out-of-pocket expenses relating to the adoption. The amount of the tax credit they may qualify for is directly related to how much money they spent on adoption-related expenses. If a special needs child is adopted, your client is entitled to claim the full amount of the adoption credit, even if their out-of-pocket expenses are less than the tax credit amount.

If your client is married, he or she must file a joint return with their spouse to claim either the qualified adoption expenses or the exclusion for employer-reimbursed adoption expenses, unless (1) they are legally separated, or (2) they have lived apart from for the last six months of the year and the home is the child's home for more than half the year, and your client paid more than half the cost of keeping up the home for the year.

Child's identification number - If the adoptive child cannot obtain a Social Security number, or an ITIN for a resident or nonresident alien, your client must obtain an adoption taxpayer identification number by completing IRS Form W-7A, which can be obtained by calling 1-800-TAX-FORM.

DC First-Time Homebuyer Credit – Form 8859

Your client may be eligible to claim this credit if they purchased a main home during the tax year in the District of Columbia **and** your client (and spouse if married) did not own any other main home in the District of Columbia during the 1-year period ending on the date of purchase.

Mortgage Interest Credit - Form 8396

If your client resides in one of the few states or localities that have chosen to issue MCCs (Mortgage Credit Certificates) and he or she obtains a certificate, then your client can claim a tax credit (rather than a deduction) based on the amount of interest they paid.

Earned Income Credit

If the Taxpayer qualifies for the Earned Income Credit, The tax program will *automatically* bring up the **Form 8867-EIC Checklist Menu** as the return is being prepared.

If the taxpayer does not qualify to claim the Earned Income Credit and you access the EIC menu, you will be prompted to select **Continue To Next Step**. You will be provided with a list of reasons why the Earned Income Credit is not being calculated.

Earned Income Tax Credit (EIC)

Reasons for no Earned Income Credit:

- There are No Qualifying Children Listed.
- There are Children with Invalid SSN(s).
- EIC Checklist was not Answered Correctly.
- Your Adjusted Gross Income is Greater than the Earned Income Tax Credit Limits.
- Your Adjusted Gross Income or Earned Income is Less than or Equal to \$0.

Continue To Next Step

Information to Claim EIC After Disallowance - If your client was denied EIC for any year after 1996 or it was reduced for any reason other than a math or clerical error, you must attach a completed Form 8862 to their next tax return to claim the EIC. Your client must also qualify to claim the EIC by meeting all the rules described in this IRS Publication 596.

There are three parts to Form 8862. The first part applies to everyone using the form and consists of three questions that basically establish that you should be filling out the form. The second part is to be filled out for taxpayers who are claiming a qualifying child. The third part is to be filled out for taxpayers who are not claiming a qualifying child.

EIC Information for Clergy – If you are preparing a tax return for a member of the clergy, and any amount of their clergy income should not be included in the calculation of the earned income calculation, enter the dollar amount to exclude in the space provided.

Not Eligible for EIC – If a taxpayer has been informed by the IRS that they are not eligible to claim the Earned Income Tax Credit this year, or if they simply want to opt out, place a check mark in the box next to this statement. Next, place a checkmark in the box stating that you understand that by checking the first box, EIC will not be calculated on this return.

The screenshot shows a web-based tax software interface. At the top, there is a navigation bar with tabs for 'Your Office', 'Basic Information', 'Federal Section', 'State Section', 'Summary', and 'EFile'. Below this, a breadcrumb trail reads 'Income > Deductions > Other Taxes > Payments & Estimates > Miscellaneous Forms'. The main heading is 'Not Eligible for EIC'. There are two checkboxes with associated text: the first is 'Check here if you are NOT eligible to receive the Earned Income Tax Credit (EITC)', and the second is 'I understand that checking the box above determines whether I might be able to receive the Earned Income Tax Credit (EITC), and if the box is checked I will not receive EITC.'. At the bottom of the form, there are three buttons: a grey 'Delete' button with a trash icon, a red 'Cancel' button, and a green 'Continue To Next Step' button.

Credit for the Elderly or Disabled

A tax credit is available to certain low-income individuals based on filing status, age, and income. If your client is married filing a joint return, it is also based on the spouse's age and income. Your client may be eligible able to take this credit if either of the following applies:

1. They were age 65 or older at the end of the current tax year, or
2. They were under age 65 at the end of the current tax year and they meet all of the following:
 - They were permanently and totally disabled on the date that they retired. If they retired before 1977, they must have been permanently and totally disabled on January 1, 1976, or January 1, 1977.
 - They received taxable disability income for the current tax year.

- On January 1 of the current tax year they had not reached mandatory retirement age (the age when their employer's retirement program would have required them to retire).

Alternative Motor Vehicle Credit (Hybrid Cars) - Form 8910

The Alternative Motor Vehicle credit expired as of 12/31/2010.

Use this form **ONLY** if your client purchased their vehicle prior to 2012, but placed it in service in 2012.

Small Employer Health Insurance Premiums – Form 8941

Eligible small employers may qualify for this credit if they paid health insurance premiums for their employees during tax years after 2009. The maximum credit is a percentage of premiums that the employer paid during the tax year for certain health insurance coverage the employer provided to certain employees. The credit may be reduced by limitations based on the employer's full-time equivalent employees, average annual wages, state average premiums, and state premium subsidies and tax credits.

Compare Deductions

This section displays the total of the Itemized Deductions entered and compares it to the taxpayer's Standard Deduction. Unless you choose to force Itemized Deductions, we will automatically select the greater deduction.

When you have entered in all deduction items, or if you do not have any deductions to enter, select the **Continue To Next Step** button.

The **Other Taxes** portion of the Federal Section is used to enter any other tax types for which the taxpayer may be liable. Select the **Begin** button next to any other tax item to enter in data applicable to the taxpayer.

Your Office > Basic Information > Federal Section > State Section > Summary > EFile

Income > Deductions > Other Taxes > Payments & Estimates > Miscellaneous Forms

Other Taxes

Self-Employment Tax (Schedule SE)	BEGIN
Alternative Minimum Tax (Form 6251)	BEGIN
Tax on Unreported Tip Income (Form 4137)	BEGIN
Tax on Early Distribution (Form 5329)	BEGIN
Household Employment Tax (Schedule H)	BEGIN
First-time Homebuyer Repayment	BEGIN
Tax For Children Under Age 18 (Form 8615)	BEGIN
Child's Interest/Dividend Earnings	BEGIN

Back Continue To Next Step

Self-Employment Tax (Schedule SE)

If your client's total business income (from all Schedule C's combined and from any partnership or S-corporation self-employment income) equals \$400 or more, The tax program will automatically generate a Federal Schedule SE.

If your client is filing jointly and the spouse also files one or more Schedule C's, each spouse must count his or her own income separately.

Alternative Minimum Tax (Form 6251)

Because some taxpayers--particularly wealthy taxpayers--have been so successful in their

efforts to legally minimize their tax bills, Congress came up with another way to tax them: the alternative minimum tax (AMT). The AMT provides a formula for computing tax that ignores certain preferential tax treatments and deductions that taxpayers would otherwise be entitled to claim. So, many taxpayers are required to compute their income tax liability twice: once under the regular method and once again under the AMT method. An individual will be subject to the AMT if his or her AMT liability is more than the regular tax liability for the year, and these calculations are automatically calculated by the software on Form 6251.

What types of things can trigger the AMT? The most common items that can cause your client to become subject to the AMT are listed below. These items must be added back to taxable income in order to compute the AMT:

- all personal exemptions
- the standard deduction, if your client claimed it
- itemized deductions for state and local income taxes, and real estate taxes
- itemized deductions for home equity loan interest (this does not include interest on a loan to buy, build, or improve a home)
- itemized deductions for miscellaneous deductions
- itemized deductions for any portion of medical expenses that exceed 7.5 percent of AGI but not 10 percent of AGI
- deductions claimed for accelerated depreciation that exceed what your client could have claimed under straight-line depreciation
- differences between gain or loss on the sale of property for AMT purposes and for regular tax purposes; these differences most commonly occur as a result of the different depreciation methods required under AMT, as described above
- addition of certain income from incentive stock options
- changes in income from installment sales, since the installment sale method generally can't be used for AMT purposes
- changes in certain passive activity loss deductions

If your client has large amounts of any items on this list, and your client's adjusted gross income exceeds the exemption amounts discussed below, the software will compute AMT liability on IRS Form 6251, *Alternative Minimum Tax — Individuals*, to determine whether your client must actually pay any AMT.

Tax on Unreported Tip Income (Form 4137)

Form 4137 is used to calculate the social security and Medicare tax owed on tips your client did not report to his or her employer, including any allocated tips shown on Form W-2 (box 8 of Form W-2) that your client must report as income. Your client must file Form 4137 if he or she received cash and charge tips of \$20 or more in a calendar month and did not report all of those tips to the employer.

Tax on Early Distribution (Form 5329)

Any payment that your client receives from an IRA or qualified retirement plan before reaching age 59½ is normally called an “early” or “premature” distribution.

If your client includes amounts from a Form 1099-R (IRA and Pension Distributions) on the tax return, he or she may be subject to a 10% penalty if the funds have been withdrawn from the retirement plan before the taxpayer has reached age 59 ½.

In addition to paying regular income tax on that money (it's taxed along with the rest of the income), your client will have to pay a penalty for the "early" distribution.

- Distributions from the following types of retirement plans are subject to this 10% penalty:
- A qualified retirement plan (like a 401(k) or a Keogh plan)
- A traditional IRA
- A Roth IRA
- An annuity (tax-deferred)
- A modified endowment contract

Household Employment Tax (Schedule H)

If your client is required to pay employment taxes on domestic help, The tax program will calculate them along with the regular income tax on Form 1040. However, you will need to complete Schedule H, *Household Employment Taxes*, and include it with the tax return.

First-time Homebuyer Repayment (Form 5405)

If you have a client that is required to repay the First-Time Homebuyer Credit you must file for 5405. For more information on who must repay the credit, see the instructions for form 5405.

Tax For Children Under Age 18 (Form 8615)

If you are filing a return for a child under age 18 who had more than \$1,900 in investment income, you must compute the child's tax using Form 8615, *Tax for Children Under Age 18 With Investment Income of More than \$1,900*.

Child's Interest/Dividend Earnings (Form 8814)

If you have a client whose child's income was in the form of interest, dividends, and capital gain distributions (e.g., from mutual funds), and the amount is more than \$850 but less than \$8,500, you can elect to report the income on your client's own return rather than filing a separate return for the child.

The IRS allows you to treat the child's income as your client's. For a child under 18, all unearned income above \$1,900 must be taxed at the parent's rate, and including the income on your client's return forces The tax program to calculate this amount.

When you have entered in all other tax items, or if you do not have any other tax items to enter, select the **Continue To Next Step** button.

The **Payments & Estimates** portion of the Federal Section is used to enter such items as payments, apply overpayments to next year's return and to print payment vouchers. Select the **Begin** button next to any payment or estimate item to enter in data applicable to the taxpayer.

Your Office > Basic Information > Federal Section > State Section > Summary > EFile

Income > Deductions > Other Taxes > **Payments & Estimates** > Miscellaneous Forms

Payments and Estimates

Federal Estimated Payments for 2012	BEGIN
State Estimated Payments	BEGIN
Other Federal Withholding	BEGIN
Other State Withholdings	BEGIN
Underpayment of Estimated Tax	BEGIN
Apply Overpayment to Next Year's Taxes	BEGIN
Vouchers for Next Year's Estimated Payments	BEGIN
Amount Paid with Extension	BEGIN

Back **Continue To Next Step**

Federal Estimated payments for 2012

If your client made quarterly estimated payments for 2012, enter the dollar amount in the space provided next to the applicable date. Also enter in the estimated payments menu any amount that your client applied to this year's tax liability from their prior year refund.

State Estimated Payments

Enter the amounts paid as quarterly estimates on your client's state tax return. Enter the amounts, and if amounts were paid to ONE state, select the state from the drop down list.

Other Federal Withholding

If your client has a Form 1099 that shows Federal Tax Withheld, include the withholdings in the Other Federal Withholding Menu and indicate that the withholdings are from a 1099. Also include any additional withholdings that MAY NOT be included on a Form 1099 in this menu option.

Other State Withholding

Enter any additional state withholdings that your client may have paid, and that have not yet been accounted for anywhere else within the program. If amounts were paid to ONE state, select the state from the drop down list.

Underpayment of Estimated Tax

If the balance due on your client's Federal return is more than \$1000, they may be subject to an estimated tax penalty. If there is a penalty due, the IRS will calculate the penalty and send a notice by mail.

If you would like to use The tax program to calculate the penalty, enter the required information in the Underpayment of Estimated Tax menu.

Apply Overpayment to Next Year's Taxes

Enter the amount of your client's overpayment (refund) from this year's tax return to be credited to next year's tax return. The program will not accept an amount larger than the refund for this year.

Vouchers for Next Year's Estimated Taxes

Use this menu to generate estimate vouchers for your client's quarterly estimated tax payments for next year. The vouchers will print with the tax return.

Amount Paid With Extension

If Form 4868 was filed to get an automatic extension of time to file your client's tax return, enter any amount that was paid with that form or by electronic funds withdrawal or credit or debit card. If a credit card was used do not include the convenience fee you were charged. Also, include any amounts paid with Form 2350.

When you have entered in all payment and estimate items, or if you do not have any payment or estimate entries to enter, select **Continue To Next Step**.

The **Miscellaneous Forms** portion of the Federal Section is used to enter the following:

Injured Spouse Form (Form 8379)

"Injured spouse" relief applies when a couple files jointly and has their tax refund reduced or eliminated because of an unpaid tax or other debt that only one of them owes. For example, one spouse may owe taxes from a year before the couple married. The other spouse has a right to his or her share of the refund, based on an allocation of income, deductions, payments and other tax return items between the two spouses.

If the IRS has applied your client's refund against the spouse's tax liability, or your client is concerned that the IRS may do so, select Form 8379 – Injured Spouse Claim and Allocation. The form requests identifying information for your client and spouse, and information needed to determine how much of the tax — and refund — is attributable to each spouse. **The IRS makes the actual calculation that divides the refund between your client and his or her spouse.**

Claim a Refund Due to a Deceased Taxpayer (Form 1310)

If your client is claiming a refund on behalf of a deceased taxpayer, Form 1310 must be filed. This form can also be electronically filed with the tax return. To avoid a rejected return, you will need to complete the Form 1310 menu as shown below:

Part I - Check the box that applies to you

- A - Surviving spouse requesting reissuance of a refund check.
- B - Court-appointed or certified personal representative. Attach a court certificate showing your appointment, unless previously filed.
- C - Person, other than A or B, claiming refund for the decedent's estate (complete Part II if checked)

Part II - Complete ONLY if you checked 'C' in Part I

1. Check here if you have a valid proof of death.
2. Check here if the decedent left a will.
3. a. A court HAS ALREADY appointed a personal representative for the estate of the decedent.
 b. A court WILL provide a personal representative for the estate of the decedent.
 Neither
Note: If you checked either 3a or 3b the personal representative must file for the refund.
4. Check here if, as the person claiming the refund for the decedent's estate, you will pay out the refund according to the laws of the state where the decedent was a legal resident.
Note: If you do NOT check box 4, a refund cannot be made until you submit a court certificate showing your appointment as personal representative or other evidence that you are entitled under state law to receive the refund.

Buttons: Delete, Cancel, Continue To Next Step

Application for Extension (Form 4868)

To file an extension for your client, complete the Required Extension Information section from the Form 4868 – Extension Menu. When you are ready to transmit the extension, select the E-File option at the top of the screen. You will be given the option to file your return (Form 1040 and supporting schedules), or to file your extension (Form 4868). Complete the extension e-file process. You should receive an acknowledgement regarding your client's extension within 24-48 hours of filing.

Married Filing Separate Allocation

Community property laws apply to married individuals living in community property states who

file separate returns. Each spouse must report half of combined community income and deductions in addition to his or her separate income and deductions. For example, each spouse reports half of his or her own W-2 wages and half of his or her spouse's W-2 wages on his or her own W-2 wages and half of his or her MFS return.

If you are filing the return as married filing separately and your client lives in a Community Property State (Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, Wisconsin) the MFS Allocation Record should be completed with the return. A registered domestic partner in California does not include one-half of a partner's income on his or her separate tax return.

IRS Identification Pin

Beginning in January 2011, the IRS started sending notice (CP01A) to taxpayers who had previously contacted them and have since been validated by the IRS as being a victim of identity theft. The new notice will provide the taxpayer with a 6-digit identity protection PIN (IP PIN), valid for the filing of their current year federal tax return only. Including the IP PIN on the taxpayer's current year federal tax return will avoid delays in processing of the return by distinguishing the taxpayer from a possible identity thief. In the event the taxpayer loses or misplaces the CP01A notice, they will not be able to obtain a new IP PIN for the current tax year. A new CP01A notice will be issued each subsequent year in January for the new filing season as long as the taxpayer's tax account remains at risk for identity theft.

Installment Agreement (Form 9465)

An installment agreement allows the taxpayer to breakdown their tax debt into manageable payments. Usually an installment agreement requires equal monthly payments based on the amount of taxes owed, the amount of money the IRS can collect at one time, and the amount of time they are allowed to collect the funds from the taxpayer. Installment agreements are not an ideal way of paying a tax debt, since the taxpayer will still accrue late payment penalties and interest over the life of the agreement.

[Form 9465](#) can be used to request an installment plan, but should not be used if the taxpayer plans to pay their tax debt within 120 days, or if they want to use the [IRS Online Payment Agreement Application](#) to apply for an installment agreement. Installment agreements are not guaranteed. The IRS will notify an individual within 30 days of receiving the agreement if it has been approved or denied. Agreements for less than \$10,000 will generally be accepted as long as:

1. During the last 5 years, the taxpayer (*and spouse if filing jointly*) has timely filed all income tax returns, paid any amount due, and have not previously used an installment agreement.
2. The IRS determines that the taxpayer cannot pay the taxes owed when they are due in full, and the taxpayer gives the IRS any information needed to make the determination.
3. The taxpayer agrees to pay the full amount within 3 years and agree to abide by tax laws while the agreement is in effect.

Select the **Begin** button next to a Miscellaneous Form to enter data applicable to the taxpayer.

When you have entered in all miscellaneous form items, or if you do not have any miscellaneous form items to enter, select **Continue To Next Step** to create a state return.

Select **Continue To Summary** if you will not be preparing a state return.

2. State Section

This portion of the program is where you will add the state return. The program will automatically transfer all the necessary information into the state return for you.

If you don't have a state return, you can click Continue to Summary or use any of the navigation options at the top of your screen.

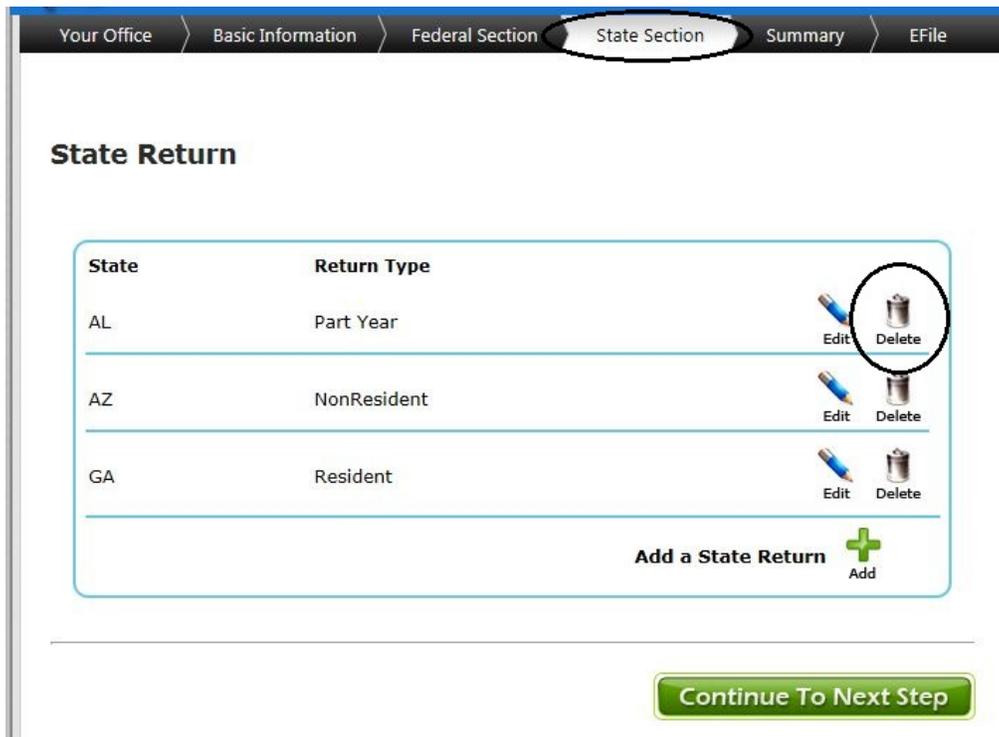
The following states do not have state income tax returns that can be filed through the program: Alaska, Florida, Nevada, New Hampshire, South Dakota, Tennessee, Texas, Washington and Wyoming

The **Add State Wizard** will help you to create any state return that you will be including in the tax return. Choose a state from the drop down box located on the State Name page and select **Create State Return**. You will be prompted to select the taxpayer's state residency type. Most states have a separate resident, part year resident and non-resident tax return. Select the **Continue To Next Step** button. You will be given two options from the state return page.

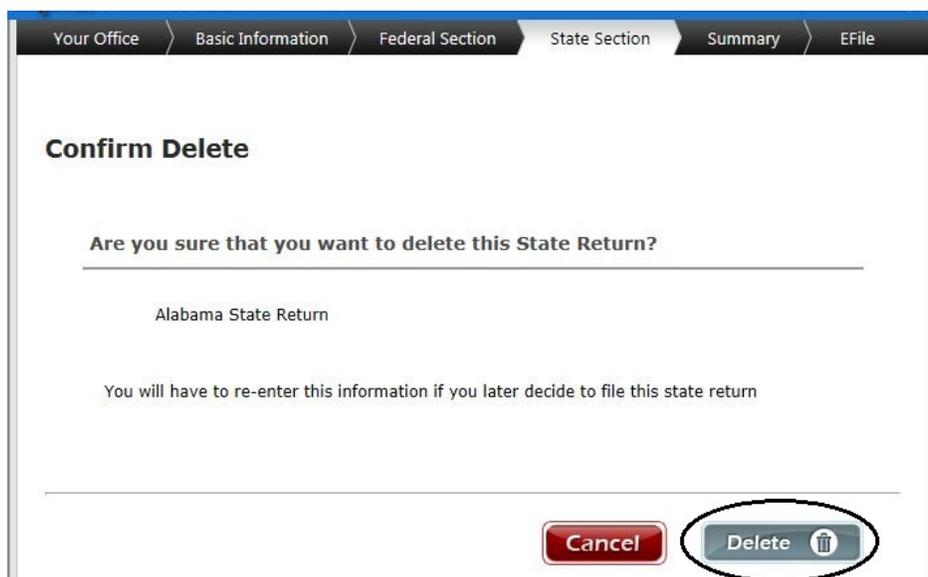
The screenshot shows a web interface for the 'State Section' of a tax filing program. At the top, there is a navigation bar with tabs for 'Your Office', 'Basic Information', 'Federal Section', 'State Section', 'Summary', and 'EFile'. Below this, there are three breadcrumb-style links: 'State Name', 'State Residency', and 'State Return'. The main heading asks, 'How would you like to input your state return?'. There are two main options: 1) 'Guide Me Through Return', which includes a compass icon and a text box stating 'We will guide you step-by-step to ensure that you don't miss a thing and your return is done correctly the first time.' Below this text is a blue 'Guide Me' button. 2) 'Enter Return Myself', which includes a greyed-out 'Enter Return Myself' label and a black 'Enter Myself' button. The two options are separated by '-OR-'. At the bottom right, there is a red 'Cancel' button. The 'Guide Me' and 'Enter Myself' buttons are circled in black in the image.

Select **Guide Me** to launch a step-by-step State Return Wizard which will ask you a series of questions to help prepare the state tax return. If you prefer to enter the state tax return without the help of the State Return Wizard, select **Enter Myself**. This will take you to the State Return screen which lists the various sections of the state return. Select an **Edit** button to edit items that are pulled automatically from the federal tax return. Select the **Begin** button to enter other state data applicable to the taxpayer. When you have entered in all applicable state data items select the **Continue To Next Step** button.

To **delete** a state return, select the **State Section** tab at the top of your screen. Select the **delete icon** next to the state that you would like to delete.



You will be prompted to confirm this action. Select the **Cancel** button if you do not want to delete the selected state return. Select the **Delete** button if you wish to permanently delete the selected state return. After the delete button is selected, you will have to re-enter any state information if you later decide to file this state return.



3. Summary

The **Calculation Summary** screen is an overview of each section of the tax return. Select the show details link located next to each item to view a breakdown of what items are included in the tax return. You can view and/or edit each item of income, adjustments, tax, payments etc. by selecting the link from the expanded list.

Calculation Summary [Print a copy of the tax return](#)

Total Income show details	\$26,500.00
Adjusted Gross Income hide details	\$26,500.00
<ul style="list-style-type: none">• Educator Expense• Certain business expenses• Health savings account deduction• Moving expenses• One-half of self-employment tax• Self-employed SEP, SIMPLE, and qualified plans• Self-employed health insurance deduction• Penalty on early withdrawal of savings• Alimony paid• IRA deduction• Student loan interest deduction• Tuition and fees deduction• Domestic production activities deduction• Total Adjustments	\$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00
Tax and Credits show details	\$71.00
Total Tax show details	\$0.00
Payments show details	\$5,834.00
Refund show details	\$5,000.00
Alabama Refund	\$0.00
Arizona Refund	\$0.00
Georgia Refund	\$1,437.00

[Back](#) [Continue To E-File](#)

Electronic Filing

Validation

Begin IRS E-File Process

E-Filing a State Only Return

1. Validation

After the tax return has been reviewed and any necessary changes have been made from the summary screen, the return is ready to be electronically filed. Select **Continue To E-file**. At this point, a series of diagnostics will be run on the return checking for validation errors. If errors are found, a description of each error will be displayed on the screen.

The screenshot shows a web interface with a navigation bar at the top containing the following tabs: Your Office, Basic Information, Federal Section, State Section, Summary, and EFile. The main content area is titled "State Validation Errors".

State Validation Errors

! The following state returns will not be sent electronically at this time due to the errors listed below. You may still continue to the e-file process and e-file any other returns you have prepared. However, the returns listed below will NOT be included in the current e-file.

If you are able to fix the problem, please select the 'Make Corrections' button below. Once you have corrected the problems, select 'Send Return Electronically' from the 1040 Main Menu and complete the e-file process.

If the problems indicated are ones that cannot be corrected, you will need to print your state return forms and paper file by mail. You can print your state return(s) by clicking "View Return Summary" from the 1040 Main Menu.

Alabama	- The Spouse's Occupation is blank on the federal return. Occupation is located in the Federal Personal Information Menu.
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At the bottom of the screen, there is a "MAKE CORRECTIONS" button with a document icon and a green "Continue To Next Step" button.

To correct a validation error, select **Make Corrections**. This will take you out of the E-File Menu and back to the main return. Based on the validation error that you received, select a tab at the top of your screen to return to a specific part of the return. When you have finished making any necessary corrections, return to the E-File menu by selecting the E-File tab at the top of the screen. At this point another set of diagnostics will be run on the return. You will be notified of any important information that was found regarding this return. Review the warnings. If you are ready to finalize the tax return select **Continue E-Filing**. If you wish to further review the return select the **Back** button.

If you have selected or input any placeholder notes, the program will remind you about these notes. If you need to further review the return based on your notes, select the “Back” button. If no further review is needed, select the “Continue to E-file” button.

EIC- Checklist - Due to increased IRS monitoring of Due Diligence, The tax program has added the EIC Checklist as part of the E-file process. Be sure to ask each client every question carefully and answer each question accordingly. You must document the answers to all questions that you ask. Once you complete the checklist select “Continue to Next Step”.

2. Begin IRS E-File Process

When the tax return is ready to be electronically filed, you will be taken through the IRS E-File process. The client's tax return will only be electronically filed after each step in the E-file process is complete based on the type of return you are processing.

The screenshot shows a web interface for the IRS E-File process. At the top, there is a navigation bar with tabs: 'Your Office', 'Basic Information', 'Federal Section', 'State Section', 'Summary', and 'EFile'. The 'EFile' tab is currently selected.

Below the navigation bar, there is a section titled 'Return Type'. Inside this section, a message reads: 'Your return is now ready to be e-Filed to the IRS. Please make sure that all information you enter below is correct.' It further states: 'In order for us to transmit your client's return to the IRS you must complete all Steps in the e-File Process.' A red **CAUTION** message follows: 'Your client's return will not be sent to the IRS unless you complete ALL steps. None of the information is saved until all information is entered and the "Continue" button below is clicked.'

Below the caution, it says: 'To continue the e-File process, please first select a return type and the form will ask for all required information.' There is a checkbox labeled 'Check here to file the return STATE ONLY. Note - the federal return will not be filed.' which is currently unchecked.

The 'Federal Return Type' section has a dropdown menu set to 'Electronic Mailed Check'.

The 'ERO Information' section is divided into two columns. The left column is titled 'Selected Ero Information' and contains 'Efin #: 111111' and 'Company: No Name Tax Company'. The right column is titled 'Please Select ERO to use:' and has a dropdown menu set to '111111'.

A green 'Next' button is located below the ERO information.

At the bottom of the form, there are two buttons: a red 'Cancel' button and a blue 'Continue' button.

Step 1 – Federal Return Type – Select an electronic return type from the drop down menu.

For returns containing a federal refund:

- **Electronic Mailed Check** – A check mailed directly to the taxpayer’s street address that is included on the tax return. Tax preparation fees will not be collected for this type of return. You must collect your fees up front from the taxpayer.
- **Direct Deposit** – The taxpayer’s refund will be direct deposited by the IRS into their personal checking or savings account. Tax preparation fees will not be collected for this type of return. You must collect your fees up front from the taxpayer.
- **Electronic Refund Check (ERC)** – When the taxpayer’s refund is funded and deposited to your Tax Related Products Bank, the bank will collect your tax preparation fees, processing fees and bank fees. You will print a check in your office for the remainder of the taxpayer’s refund.
- **Electronic Refund Deposit (ERD)** - When the taxpayer’s refund is funded and deposited to your Tax Related Products Bank, the bank will collect your tax preparation fees, processing fees and bank fees. The remainder of the taxpayer’s refund will be direct deposited into their personal checking or savings account.
- **Prepaid Debit Card** - When the taxpayer’s refund is funded and deposited to your Tax Related Products Bank, the bank will collect your tax preparation fees, processing fees and bank fees. The remainder of the taxpayer’s refund will be deposited onto a prepaid debit card.
- **Paper Return** - If the client wishes to mail their tax return, select this option. The return should be mailed to the IRS processing center assigned to the client’s state of residence. See page Appendix T for a list of states and their assigned processing centers. Also be sure to complete Form 8948, e-File opt-out form.

For returns containing a federal amount due:

- **Electronic Balance Due** – If there is a balance due on the federal return, select this option to generate Form 1040-V, Payment Voucher. The return will be filed electronically, and voucher should be mailed with the accompanying payment to the address indicated on the top half of the form.
- **Electronic Direct Debit** – If there is a balance due on the federal return, select this option to have the amount automatically debited out of a checking or savings account. You will be prompted to enter the name of the bank, the type of account (checking or savings), the bank routing transmit number and the bank account number. You will also be prompted to enter the amount of the payment, the requested payment date and the client’s day-time phone number. Note: If the requested payment date is after April 15th, or the due date of the return, you must enter the current date.

- **Paper Return** – If the client wishes to mail their tax return, select this option. The return, payment and payment voucher should be mailed to the IRS processing center assigned to the client’s state of residence. See the reference materials section at the end of the manual for a list of states and their assigned processing centers.

ERO Information – If your office has multiple EROs set up in the configuration section, you will select the correct ERO for the electronic filing of this tax return. Use the drop down box to view a list of valid EROs.

If you are opting to send the return as “State Only” place a check in the box next to “Check here to file the return State Only. (See Filing a State Only Return on page 71.

Once you have verified that the Return Type and ERO information is correct, select the “Next” button to continue with the E-File process.

Step 2- Tax Preparation and E-File Information-

Client Information - Enter a valid email address for the taxpayer.

Tax Preparation Charges - After you select the Federal Return type, the program will calculate your Tax Preparation Charges. The Calculated Prep Fee, Preparer Fee and the Electronic Filing Fee will be displayed. If you would like to charge an amount other than the calculated amount, enter the fee in the appropriate box.

Form 8879 Information – For electronically filed tax returns, the Taxpayer’s Pin, Spouse’s Pin and ERO’s Pin will be automatically pre-filled in the spaces provided. These pin numbers serve as the signatures on an electronically filed tax return.

Once you have verified all the E-File Information is correct, select the “**Next**” button to continue with the E-File process.

Step 3 – State Electronic Filing Menu: Choose how the taxpayer would like to receive their state refund or pay their state balance due.

- **Electronic Mailed Check** – A check mailed directly to the taxpayer’s street address that is included on the tax return. Tax preparation fees will not be collected for this type of return. You must collect your fees up front from the taxpayer.
- **Direct Deposit** – The taxpayer’s refund will be direct deposited by the state into their personal checking or savings account. Tax preparation fees will not be collected for this type of return. You must collect your fees up front from the taxpayer.

- **Bank Product Deposit-** If the taxpayer has elected to have their federal refund processed as a bank product then they can elect to have their state refund processed as a bank product as well. Regardless of the type of bank product the taxpayer chooses for their federal refund, if they elect to process their state refund through as a bank product it will be a check printed in the tax office.

Once you have verified all the State E-File Information is correct, select the “**Next**” button to continue with the E-File process. At this point, you should be complete with the E-file process and ready to continue to the E-file Summary. Do this by selecting the “**Submit**” button.

Step 4 – E-file Summary: The last step of the IRS E-File process is to submit the return from the E-File Summary screen. From this screen you will have the option to print the tax return and Form 8879 (federal and state). All previously entered e-file information will also be displayed on this page. If you are ready to electronically file the return, you must mark the return as complete by checking the box in the Return Information section.

The screenshot shows the 'E-File Summary' screen with a navigation bar at the top containing 'Your Office', 'Basic Information', 'Federal Section', 'State Section', 'Summary', and 'EFile'. The main heading is 'E-File Summary'. Below it, a message says: 'Please review all information on this screen. To finalize your return please click on the submit button located below.' There are two buttons: 'Print Return' and 'Print 8879'. The 'Ero Information' section shows 'Efin' as 582355 and 'Company Name' as 'No Name Tax Company'. The 'Return Information' section includes a table for 'Electronic Balance Due' with 'Preparer Fee' at 100.00, 'Electronic Filing Fee' at 0, and 'Total Prep Fees' at 100.00. Below this table are two checkboxes: 'Mark as Paid' and 'Return Complete', with the latter circled in red. At the bottom, there are 'Cancel', 'Continue', and 'SUBMIT' buttons.

Ero Information	
Efin	582355
Company Name	No Name Tax Company

Return Information	
Type of Return	Electronic Balance Due
Tax Preparation Charges	Preparer Fee 100.00
	Electronic Filing Fee 0
	Total Prep Fees 100.00
	<input type="checkbox"/> Mark as Paid
	<input checked="" type="checkbox"/> Return Complete
Form 8879	Taxpayer's Pin 11234
	ERO's Pin 54564

After you have marked the return complete, select the **SUBMIT** icon to transmit the tax return. You should receive acknowledgements from the IRS within 4 hours of transmitting the return. For details on viewing IRS and state acknowledgements, see Chapter 4.

3. E-filing a State Only Return

Under most circumstances, both the federal and state returns are electronically filed together. There may be occasions when it is necessary to electronically file only the state portion of a tax return. To e-file a state-only return, place a checkmark in the **State Only** box on the “Return Type” section of the E-File process and select “Next”.

Continue with the e-file process. Before you submit the return for electronic filing, review the e-file Summary screen. The Type of Return should read Federal Return is NOT being submitted to the IRS. The state return information should list the state(s) and the type of return for each state. Select the **SUBMIT** icon to transmit the state only return. You should receive acknowledgements from the state(s) within 48 hours of transmitting the return. For details on viewing IRS and state acknowledgements, see Chapter 4.

Receiving Acknowledgements and Return Status

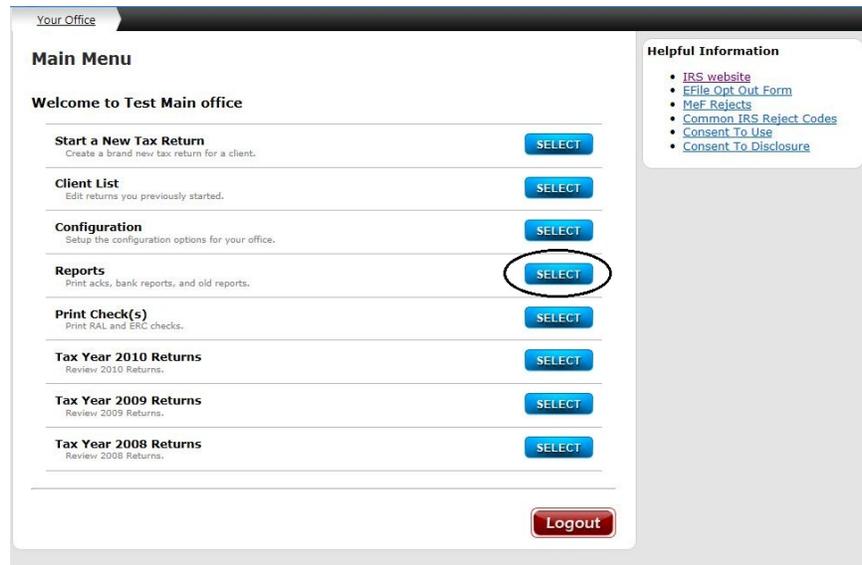
Receiving Acknowledgements

Client / Return Status

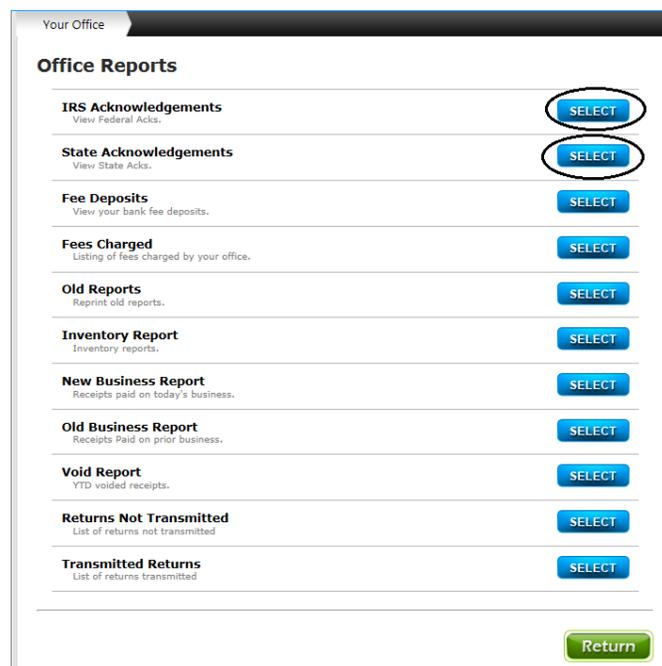
Chapter 4- Receiving Acknowledgements and Return Status

1. Receiving Acknowledgments

Once you have successfully electronically filed your client's tax return you will typically receive IRS acknowledgements accepting or rejecting the return within an estimated one (1) hour time frame of electronic filing the return(s). To generate acknowledgements, select **Reports** from the Main Menu of the program.



To view the most current acknowledgment report, select either IRS Acknowledgments or State Acknowledgements.



If you have new IRS or state acknowledgements to view, an acknowledgement report showing the EFIN, SSN, Last Name, Status of the Return(s), State Return(s) filed and if applicable, the Reject Code(s) issued by the IRS will be displayed on the screen. Select **Print Report** to print a copy of the Acknowledgements for your record.*

If you do not have any new acknowledgements to view you will receive a message stating “**No New Acknowledgement(s) reports are currently present.**” Select **Continue**.

*It is not necessary to print a paper copy of your acknowledgements. The acknowledgements will be stored in the Old Reports section of the program for future viewing when needed.

	Efin	SSN	Last Name	Status	State	Reject Code
1	582355	400-00-0516	TEST	Rejected - 07/05/12	FD	N/A

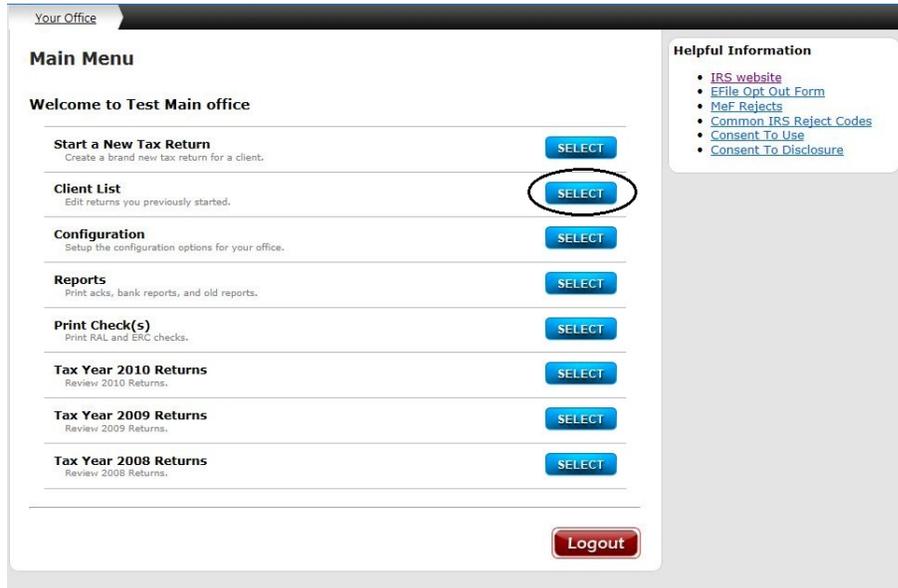
[Print Report](#)

CONTINUE 

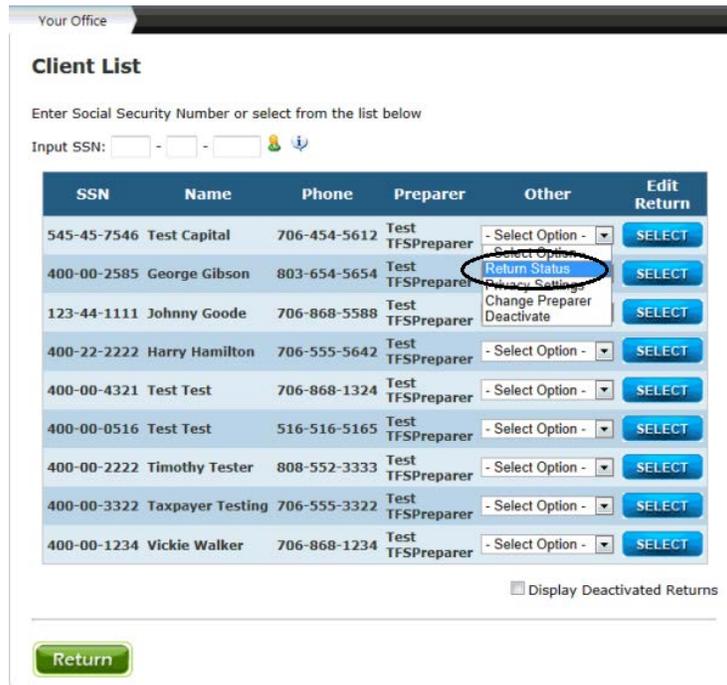
After you have viewed the IRS and/or state acknowledgements, your client(s) return status will be updated to reflect this information. If the return was rejected by the IRS, check client status for a description of each applicable reject.

2. Client Status

To view the Client Status of a client's return, navigate back to the Main Menu of The tax program and select **Client List**.



Select **Return Status** from the drop down box in the **Other** column from the Client List Menu.



As you receive acknowledgements from the IRS, state(s) and your bank product bank, client status will be updated automatically with the latest information regarding the status of the client's return. From the Client Status screen you will be able to determine:

- Type of electronic return sent (Electronic mailed, Direct Deposit, Bank Product)
- Transmission date(s) and time(s)
- Preparation fees, electronic filing fees, total fees
- Accepted or rejected status for the federal and state return
- The reject code(s) and details of reject code(s)
- Expected refund or amount due
- If an extension was filed for this client

ACCEPTED CLIENT STATUS:

Your Office

Client Status

Helpful Information

- [IRS website](#)
- [EFile Opt Out Form](#)
- [MeF Rejects](#)

Client Status

Primary	400004321	Test Test	Federal Type	TFS ERC
Secondary			IRS Trans Date	3/1/2012 4:12:16 PM
Address	123 TEST WAY	Phone	Office	
	EVANS, GA 30809	7068681324		

Transmitted Fee Summary

Prep Fee	Elec Fee	Doc Fee	Total
\$0.00	\$0.00	\$0.00	\$0.00

IRS Acknowledgements

Ack Date	Status	Refund	State	Additional Information	Reject Codes
3/1/2012	Accepted	\$6,594.00		• MEF RETURN • Submission Id: 58235520120612089482	

RAL/Bonus Applications

Date	Type of App	Preparer Charges
3/26/2012	TFS ERC	\$0.00
3/1/2012	TFS ERC	\$60.05

Fee Deposit Records

Fee Type	Date Deposited	YTD Deposited	Total Fees
Preparer	3/6/2012	\$60.05	\$60.05

IRS Fundings

Date Deposited	Check Amount	Sequence Number
3/6/2012	\$6,594.00	409299

IRS Transmissions

Return type	Transmission Date	Service Center	DCN	Refund	Extension?
TFS ERC	3/1/2012	Philadelphia	00582355002642	\$6,594.00	N

[Return](#)

Type of Electronic Return

Date and Time of Transmission

Accepted or Rejected Status and the Amount of the Client's Refund

If Applicable, Type of Bank Product and Associated Fees

Total Amount and Date of Deposit for the Preparer Fees

Date IRS Funded the Client's Refund and the Amount of the Refund

IRS Transmission Date

REJECTED CLIENT STATUS:

Your Office

Client Status

Helpful Information

- [IRS website](#)
- [EFile Opt Out Form](#)
- [MeF Rejects](#)

Client Status

Primary: 400000516 TEST TEST Federal Type: Electronic Mailed
 Secondary: IRS Trans Date: 7/5/2012 11:05:03 AM
 Address: Phone: 5165165165 Office:

Type of Electronic Return

Transmitted Fee Summary

Prep Fee	Elec Fee	Doc Fee	Total
\$0.00	\$0.00	\$0.00	\$0.00

Total Preparation Fees

IRS Acknowledgements

Ack Date	Status	Refund	State	Additional Information	Reject Codes												
7/5/2012	Rejected	\$0.00		· MEF RETURN · Submission Id: 58235520121873185335	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Code</th> <th>Form Name</th> <th>Seq</th> <th>Field #</th> </tr> </thead> <tbody> <tr> <td>R0000-500</td> <td>/Return/ReturnHeader/Filer/PrimarySSN</td> <td>Primary SSN and the Primary Name Control in the Return Header must match the e-File database.</td> <td>400000516</td> </tr> <tr> <td>R0000-092-01</td> <td>/Return/ReturnHeader/Filer/PrimarySSN</td> <td>'PrimarySSN' in the Return Header must be within the valid range of SSN/ITIN and must not be an ATIN.</td> <td>400000516</td> </tr> </tbody> </table>	Code	Form Name	Seq	Field #	R0000-500	/Return/ReturnHeader/Filer/PrimarySSN	Primary SSN and the Primary Name Control in the Return Header must match the e-File database.	400000516	R0000-092-01	/Return/ReturnHeader/Filer/PrimarySSN	'PrimarySSN' in the Return Header must be within the valid range of SSN/ITIN and must not be an ATIN.	400000516
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Reject Code(s) and Details of the Reject Code(s)

Accepted or Rejected Status

IRS Transmissions

Return type	Transmission Date	Service Center	DCN	Refund	Extension?
Electronic Mailed	7/5/2012	Philadelphia	00582355002692	\$0.00	N

Return

Federal Reject Codes – The reject code section of Client Status is broken down into four (4) columns.

- **Code** – The reject code is a code issued by the IRS used to identify a specific area of the tax return that may not be valid or correct.
- **Form Name** - The Form Name column is used to identify which form, or which area of a form that has triggered to IRS reject.
- **Seq** – The Seq column identifies the problem. A description of what needs to be fixed will be displayed in this column.
- **Field Number** – The Field # column gives the exact number, dollar amount, etc. that is being rejected. This column will show the SSN of which dependent is being rejected, etc.

State Reject Codes – Most states maintain their own database of state error reject codes.

After you have corrected any IRS and/or state reject codes, you can re-file the return(s). See page 60 for information about electronically filing a tax return, or page 64 for information about electronically filing a state only return.

*****IF THE FEDERAL RETURN IS REJECTED BY THE IRS, THE STATE RETURN WILL NOT BE SENT. THE STATE RETURN CANNOT BE SENT UNTIL THE FEDERAL RETURN HAS BEEN ACCEPTED*****

Miscellaneous Features

IRS Website

E-File Opt-Out Form – Form 8948

File an Amended Return

Change Language

Federal and State Calculated Refund / Amount Due

7216 Consent to Use / Consent to Disclose

Forgot User Name / Password

Chapter 5 – Miscellaneous Features...

IRS Website

The IRS website, www.irs.gov is an invaluable tool that is available to assist you in everyday tax office situations. From the IRS.gov homepage, you are able to access tools such as Where's My Refund, First Time Homebuyer Credit Look-up, Interactive Tax Assistant and more. Select the **Tax Professionals** tab at the top of the screen to access the most up to date information provided by the IRS to tax professionals.



There are literally dozens of IRS Resources and Information Topics for Tax Professionals that can be utilized from the Tax Professionals section of the IRS website. From this section you will be able to:

- Access Forms and Publications
- Renew Your PTIN
- Subscribe to IRS e-services
- Standards of Practice for Tax Professionals
- Section 7216 Information Center
- Reference Materials
- Frequently Used Telephone Numbers for Practitioners

E-File Opt Out Form – Form 8948

The IRS has imposed an electronic filing mandate on tax return preparers who prepare individual federal tax returns. Any preparer who anticipates filing 11 or more Forms 1040, 1040A, 1040EZ and 1041 during a calendar year is required to electronically file all of the returns that they prepare using IRS e-file. To access the Form, select **E-file Opt Out Form** from the Helpful Information box.

*See Appendix L for a sample Form 8948.



Form 8948, Preparer Explanation for Not Filing Electronically is to be used by specified tax return preparers to explain why a particular return is being filed on paper. A specified tax return preparer is a tax return preparer who is a preparer of covered returns and who reasonably expects to file 11 or more covered returns during a calendar year. There are certain specific exceptions to the above stated e-file mandate and Form 8948 is used to identify tax returns that meet allowable exceptions.

A fill-in version of Form 8948 will display on the screen. Fill out the taxpayer(s) name and SSN. Place a checkmark in the box that best describes the reason for not electronically filing the tax return. A few of the exceptions require additional information to be filled out. Be sure to complete the entire line that you are selecting to include any fill in spaces provided.

Form 8948 should be attached to the paper tax return that is prepared and furnished to the taxpayer for the taxpayer's signature. Form 8948 must be filed with the paper return. In addition to Form 8948, the tax preparer should have the taxpayer sign a taxpayer choice statement indicating that they request to have their return filed on paper by the tax preparer. The taxpayer choice statement should be kept with your records. It should not be attached to the tax return or sent to the IRS.

Allowable exceptions to the e-file mandate:

- The taxpayer chose to file the tax return on paper
- The preparer received a waiver from the requirement to electronically file the return
- The preparer is a member of a recognized religious group that is conscientiously opposed to filing electronically
- The tax return was rejected by IRS *e-file* and the reject condition could not be resolved
- The preparer's e-file software package does not electronically support a specific form attached to the tax return
- The preparer is ineligible to file electronically because IRS *e-file* does not accept foreign preparers without social security numbers who live and work abroad
- The preparer is ineligible to participate in IRS *e-file*

Additional information on IRS *e-file* can be found by visiting the following website:

Frequently Asked Questions - <http://www.irs.gov/taxpros/article/0,,id=231871,00.html>

File an Amended Return

Select this option if you need to file an amended return for this year's tax return.

Cambiar idioma Save & Log Out

Editing: Single Single

File 2012 Amended Return

Federal Refund Amount: \$1,327

State Refund Amount: N/A

Enter the Form Number Here...

Click here to create an amended return

When you select the File an Amended Return link, you will be directed to the Amended Tax Return- 1040X Menu. You will have seven (7) Menu Options to select from. For detailed step by step instructions on preparing an Amended Return start by selecting **How to Amend Your Return** from the Amended Tax Return –Form 1040X menu.

Your Office > Basic Information > Federal Section > State Section > Summary > EFile

Amended Tax Return - Form 1040X

- How To Amend Your Return [BEGIN](#)
- Original Federal Return Information [BEGIN](#)
- Make Corrections for Amended Return [BEGIN](#)
- Create Amended State Return [BEGIN](#)
- Explain Changes [BEGIN](#)
- Create PDF of Amended Return [BEGIN](#)
- Delete Amended Return [BEGIN](#)

Continue To Next Step

Once you are ready to create the amended return, you will need to generate the original amount column. Access this input screen by selecting **Original Federal Return Information**. If you previously submitted the original return electronically through The tax program, this column will auto populate with the original tax return information. If you have not previously electronically filed the return, you will need to manually input the figures in this column. If you are unsure as to where to locate the original information, select the **Where is this located?** link for details.

Review Original Column and Override Amounts

Please verify that the information below matches what is printed on your most recently accepted return.

	Original Amount
Adjusted gross income Where is this located?	\$ <input type="text"/>
Itemized or standard deduction Where is this located?	\$ <input type="text"/>
Tax Where is this located?	\$ <input type="text"/>
Credits Where is this located?	\$ <input type="text"/>
Other taxes Where is this located?	\$ <input type="text"/>
Federal income tax withheld & excess social security & tier 1 RRTA tax withheld Where is this located?	\$ <input type="text"/>
Estimated tax payments, including amount applied from prior year's return Where is this located?	\$ <input type="text"/>
Earned income credit Where is this located?	\$ <input type="text"/>
Other Credits: Forms 2439, 4136, 5405, 8801, 8812, 8839, 8863, or 8885 Where is this located?	\$ <input type="text"/>
Amount paid with request for extension of time to file Where is this located?	\$ <input type="text"/>
Amount of tax paid with original return plus additional tax paid after it was filed Where is this located?	\$ <input type="text"/>
Overpayment, if any, as shown on original return or as previously adjusted by the IRS Where is this located?	\$ <input type="text"/>

- Check here if you are adding or removing the number of exemptions.
- Check here if the Address has changed from your last filed return and you would like the IRS to change it in their records.
- Check here if you did not previously want \$3 to go to the Presidential Election Campaign Fund but now want it to.
- Check here if your spouse did not previously want \$3 to go to the Presidential Election Campaign Fund but now want it to.

Cancel

Continue To Next Step

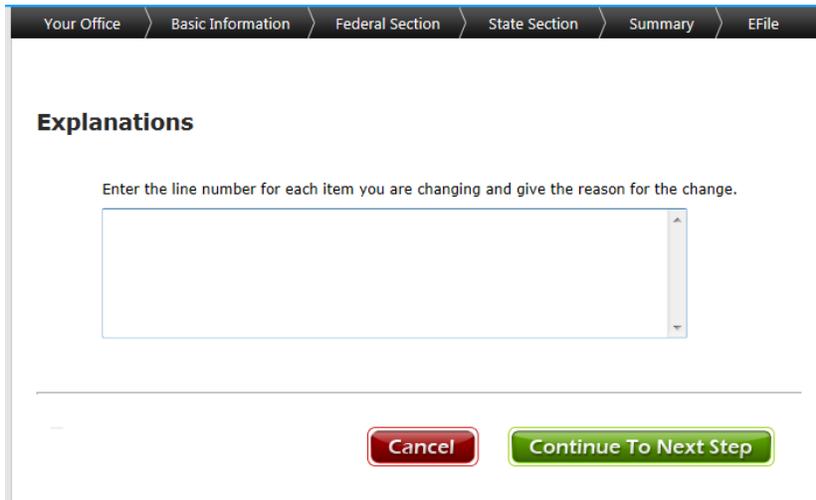
Select "Where is this located?" for details on which line this entry can be found on the original tax return.

Once you have completed the input of the original column, select the **Continue To Next Step** button. This will take you back to the Amended Tax Return – 1040X Menu. Select Make Corrections for Amended Return and then select the **Continue to Next Step** button. This will take you to the Summary page of the tax return. Select the show details link next to any entry to add, edit, or remove information as needed. You will only need to edit or enter information that was incorrect or omitted on your originally filed return.

Once you have completed making all necessary changes, select **File 2012 Amended Return** from the upper right hand corner of the screen. You will be directed back to the Amended Tax Return – Form 1040X Menu where you can create your state amended return, if applicable, and/or enter an explanation of changes for the amended return.

Explain Changes

Select the **BEGIN** button next to Explain Changes to enter an explanation for amending the original tax return. Be descriptive and make sure to list each change that you are making. When you have completed entering your explanations, select **Continue To Next Step**.



The screenshot shows a software interface with a dark navigation bar at the top containing the following steps: Your Office, Basic Information, Federal Section, State Section, Summary, and EFile. Below the navigation bar, the main content area is titled "Explanations". Under this title, there is a text prompt: "Enter the line number for each item you are changing and give the reason for the change." Below the prompt is a large, empty text input field with a vertical scrollbar on the right side. At the bottom of the page, there are two buttons: a red "Cancel" button and a green "Continue To Next Step" button.

Creating an Amended State Return

Select **Create Amended State Return** to make changes to your original accepted state tax return. Select the state you will be creating the amended return for from the drop down list provided and select the **Create State Return** button. You can return to this menu later if you need to file more than one state amended return.

Select the correct state return residency status from the list provided and select **Continue To Next Step**. At this point you will be given two options. Select **Guide Me** to launch a step-by-step Income Wizard which will ask you a series of questions to help determine the various items that should be entered on the amended tax return. If you prefer to enter the amended items without the help of the Income Wizard, select **Enter Myself**. Next select Amended Return begin button.

State Name » State Residency » State Return

GA State Return

Amended Return

If you need to make changes to your Georgia return after it has been accepted by the state, you will be required to file an Amended State Return (Form 500X). Information entered in the menus below will aid in completing the amended state return. Please print a copy of your originally accepted return and review and complete the menus below.

To create Form 500X, Georgia amended return, select YES and complete the additional section below.

Review and Complete Amended Return

Select Yes from the dropdown box and then select the BEGIN button to create the state amended tax return.

To create the state amended return, from the drop down menu provided, select **'Yes'** and select the **BEGIN** button next to Review and Complete Amended Return. If you electronically filed this state tax return through The tax program, the figures from the accepted state return will auto populate on the original column on the state amended return. Depending on the state, you will be given several menu options to choose from pertaining to the amended state return. Select the **BEGIN** buttons next to each item listed and fill out all applicable information. When you have filled in all applicable information for the state amended tax return, select **Continue To Next Step**. Return to the Summary section of the tax return to print the state amended tax return.

Printing an Amended Tax Return

Amended Tax Return - Form 1040X

How To Amend Your Return	BEGIN
Original Federal Return Information	BEGIN
Make Corrections for Amended Return	BEGIN
Create Amended State Return	BEGIN
Explain Changes	BEGIN
Create PDF of Amended Return	BEGIN
Delete Amended Return	BEGIN

Continue To Next Step

To print both the federal and/or state amended return(s) select the **BEGIN** button next to Create PDF of Amended Return. Select **Continue To Next Step** to create the PDF. This will generate a PDF document of your Form 1040X, along with the supporting forms that must be attached to the amended return. Be sure to review the Form 1040X to ensure that the necessary corrections are reflected appropriately. Once you have verified that the corrections are entered as needed, print the entire document that opens. You will need to mail your 1040X, all of the federal forms that print, and any additional tax statements (such as W2s, 1099s, or 1098s) to the appropriate address.

Any state amended returns will also be included in the PDF document. It is recommended that you print the entire PDF document and mail all state forms to the address given by the state.

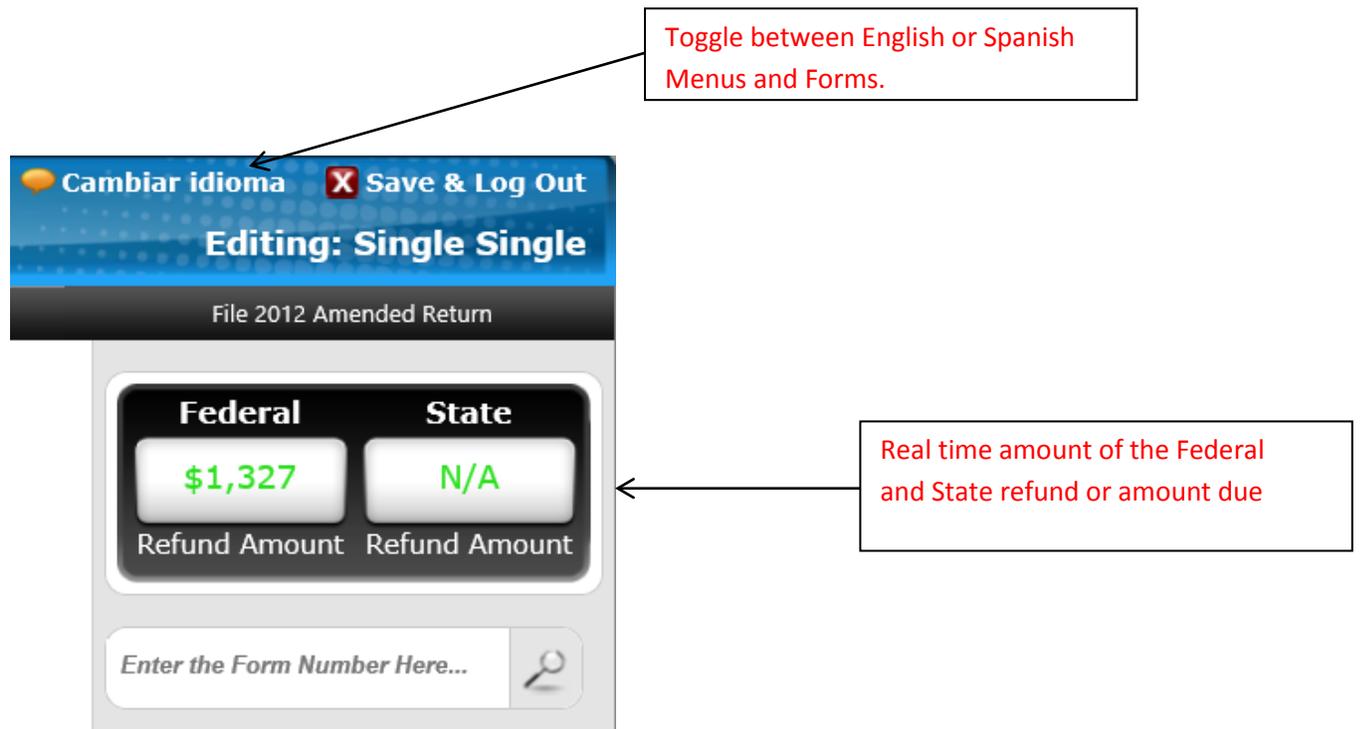
When you have finished printing the amended return(s), select the **Back** button.

Deleting an Amended Return

To delete an amended return, select the **BEGIN** button next to Delete Amended Return. You will be prompted to confirm the delete. If you are ready to delete the amended tax return select the **Delete** button.

Change Language

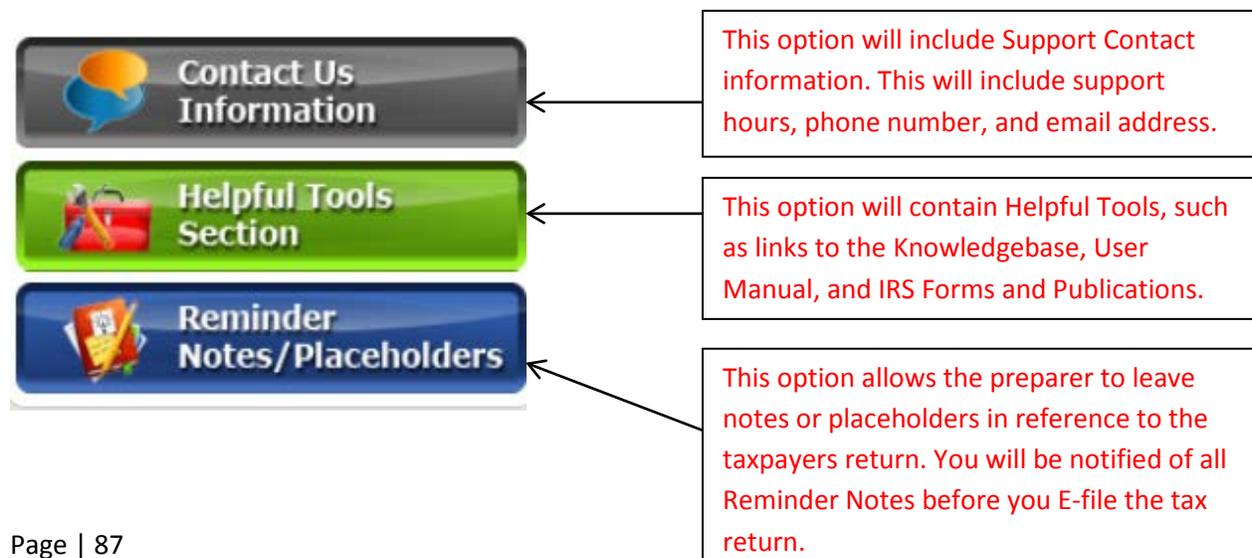
By selecting the Change Language Icon, you will be given the choice to view the menus and print supported forms in English or in Spanish.



The screenshot shows a software interface with a blue header bar. On the left, there is a button labeled "Cambiar idioma" with a globe icon. To its right is a button labeled "Save & Log Out" with a red 'X' icon. Below the header, the text "Editing: Single Single" is displayed in white on a blue background, followed by "File 2012 Amended Return" in white on a dark grey background. The main content area has a dark grey background with two white boxes. The left box is labeled "Federal" and contains "\$1,327" in green, with "Refund Amount" below it. The right box is labeled "State" and contains "N/A" in green, with "Refund Amount" below it. Below these boxes is a white input field with the placeholder text "Enter the Form Number Here..." and a magnifying glass icon. A red callout box with a black border points to the "Cambiar idioma" button, containing the text "Toggle between English or Spanish Menus and Forms." Another red callout box with a black border points to the "Federal" and "State" boxes, containing the text "Real time amount of the Federal and State refund or amount due."

Federal and State Calculated Refund / Amount Due

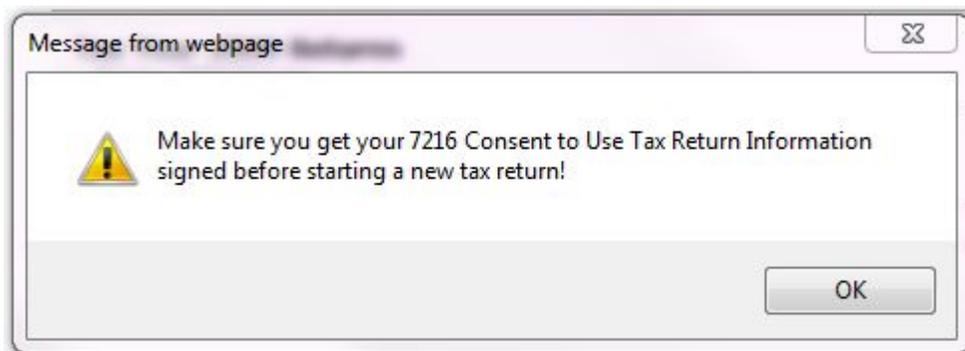
The tax program keeps track of the calculated refund or amount due and displays the current dollar amount on the right hand side of the screen.



The screenshot shows three navigation buttons stacked vertically. The top button is grey with a speech bubble icon and the text "Contact Us Information". The middle button is green with a red toolbox icon and the text "Helpful Tools Section". The bottom button is blue with a yellow envelope icon and the text "Reminder Notes/Placeholders". Three red callout boxes with black borders point to each button. The first callout box points to "Contact Us Information" and contains the text "This option will include Support Contact information. This will include support hours, phone number, and email address." The second callout box points to "Helpful Tools Section" and contains the text "This option will contain Helpful Tools, such as links to the Knowledgebase, User Manual, and IRS Forms and Publications." The third callout box points to "Reminder Notes/Placeholders" and contains the text "This option allows the preparer to leave notes or placeholders in reference to the taxpayers return. You will be notified of all Reminder Notes before you E-file the tax return."

7216 Consent to Use / Consent to Disclose

Each time you select to start a new tax return you will be prompted to have your client sign **7216 - Consent to Use Tax Return Information** form. The 7216 Consent to Use of Tax Return Information included in the software is provided with no inherent warranty. It may not satisfy your legal obligations pursuant to IRC §7216. It is suggested that you use the provided consent to use of tax information as a guide in creating your own 7216 disclosures.



New regulations under **IRC §7216, Disclosure or Use of Tax Information by Preparers of Returns**, became effective on January 1, 2009. The statute limits tax return preparers' use and disclosures of information obtained during the return preparation process to activities directly related to the preparation of the return. The regulations describe how preparers, with the informed written consent of taxpayers, may use or disclose tax return information for purposes other than preparation of the tax return. Specific and limited exceptions that allow a preparer to use or disclose return information for other purposes are also described in the regulation.

IRS regulations under **IRC §7216** apply to all:

- Paid Preparers;
- Software developers;
- Electronic Return Originators;
- Other persons or entities engaged in tax return preparation services or services that are auxiliary to return preparation;
- Volunteer tax preparers, for example Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) volunteers and employees and contractors employed by tax preparation companies in a support role.

Revenue Procedure 2008-35 provides specific form and content guidance to tax return preparers for obtaining consents to disclose and consents to use taxpayer data in both the paper and electronic environments. Generally, tax preparers must obtain the signed consent of the taxpayer before they can disclose taxpayer return information to anyone or use it for any purpose other than in the context of preparing the tax return. Separate consents are required for disclosure(s) and use(s). Consent forms may contain multiple uses and multiple disclosures however; you may not include consent for use and consent for disclosure on the same form.

Consents to Use / Disclose must:

- Clearly identify the intended purpose of the disclosure or use;
- Identify the recipient(s) and describe the particular authorized information to be disclosed or used;
- Include the name of the tax return preparer and the name of the taxpayer;
- Include the applicable mandatory language set forth in **§4.04(a)-(c) of Revenue Procedure 2008-35** that informs the taxpayer that he is not required to sign the consent and if he signs the consent, he can set a time period for the duration of that consent;
- Include the mandatory language set forth in **§4.04(d) of Revenue Procedure 2008-35** that refers the taxpayer to the Treasury Inspector General for Tax Administration (TIGTA) if he believes that his tax return information has been disclosed or used improperly;
- Where applicable, include the appropriate mandatory statement set forth in **§4.04(e) of Revenue Procedure 2008-35** that informs the taxpayer that his tax return information may be disclosed to a tax return preparer located outside the U.S.;
- Be in 12 point type on 8 ½ by 11” paper.
- Contain the taxpayer’s affirmative consent (as opposed to an ‘opt-out’ clause); and
- Be signed and dated by the taxpayer.

All consents to disclose tax return information must contain the following statements in the following sequence:

Federal law requires this consent form be provided to you. Unless authorized by law, we cannot disclose, without your consent, your tax return information to third parties for purposes other than the preparation and filing of your tax return and, in certain limited circumstances, for purposes involving tax return preparation. If you consent to the disclosure of your tax return information, Federal law may not protect your tax return information from further use or distribution.

You are not required to complete this form. Because our ability to disclose your tax return information to another tax return preparer affects the service that we provide to you and its cost, we may decline to provide you with service or change the terms of service that we provide to you if you do not sign this form. If you agree to the disclosure of your tax return information, your consent is valid for the amount of time that you specify. If you do not specify the duration of your consent, your consent is valid for one year.

All consents to use tax return information must contain the following statements in the following sequence:

Federal law requires this consent form be provided to you. Unless authorized by law, we cannot use, without your consent, your tax return information for purposes other than the preparation and filing of your tax return.

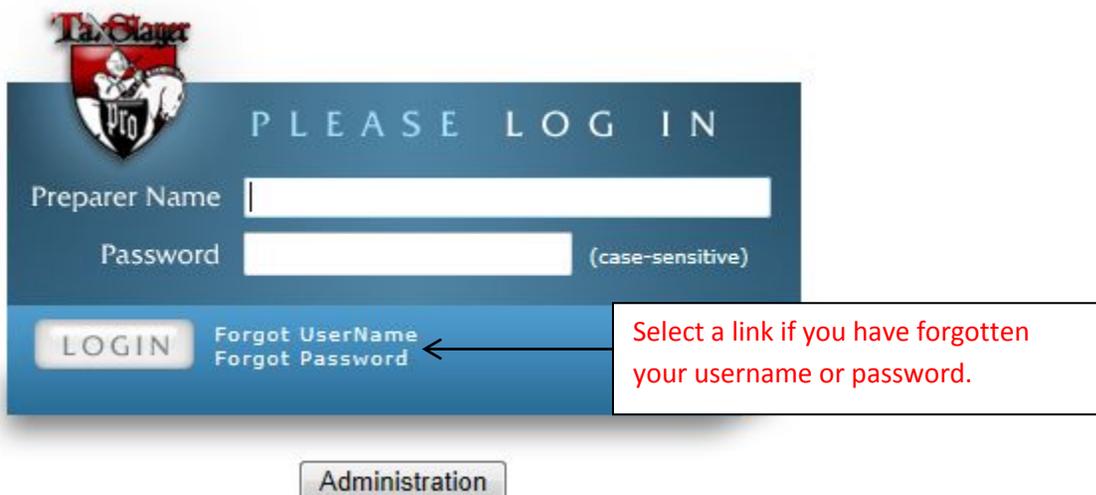
You are not required to complete this form. If we obtain your signature on this form by conditioning our services on your consent, your consent will not be valid. Your consent is valid for the amount of time that you specify. If you do not specify the duration of your consent, your consent is valid for one year.

All consents whether for use or for disclosure must contain the following statement:

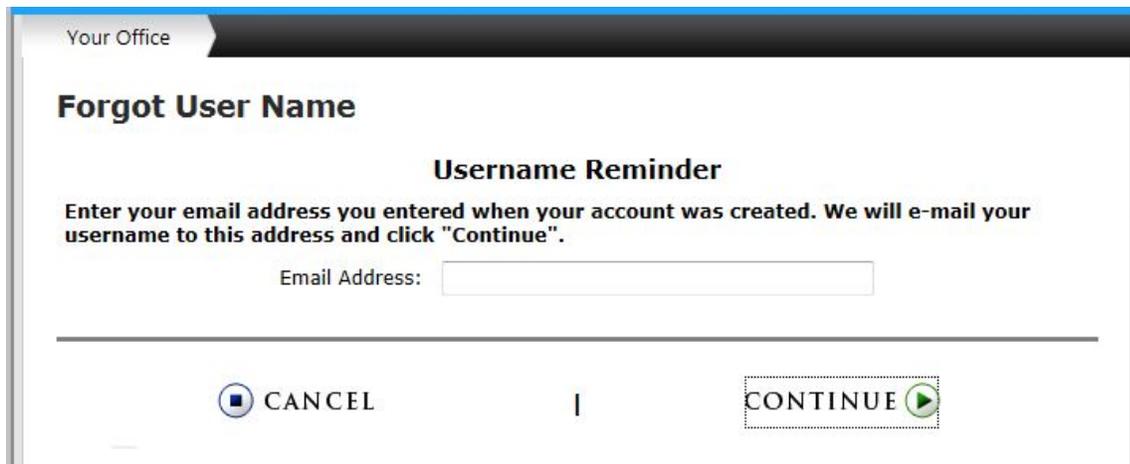
If you believe your tax return information has been disclosed or used improperly in a manner unauthorized by law or without your permission, you may contact the Treasury Inspector General for Tax Administration (TIGTA) by telephone at 1-800-366-4484, or by email at complaints@tigta.treas.gov.

Forgot User Name

In the event that you forget your username, select the **Forgot User Name** link located just beneath the login boxes.



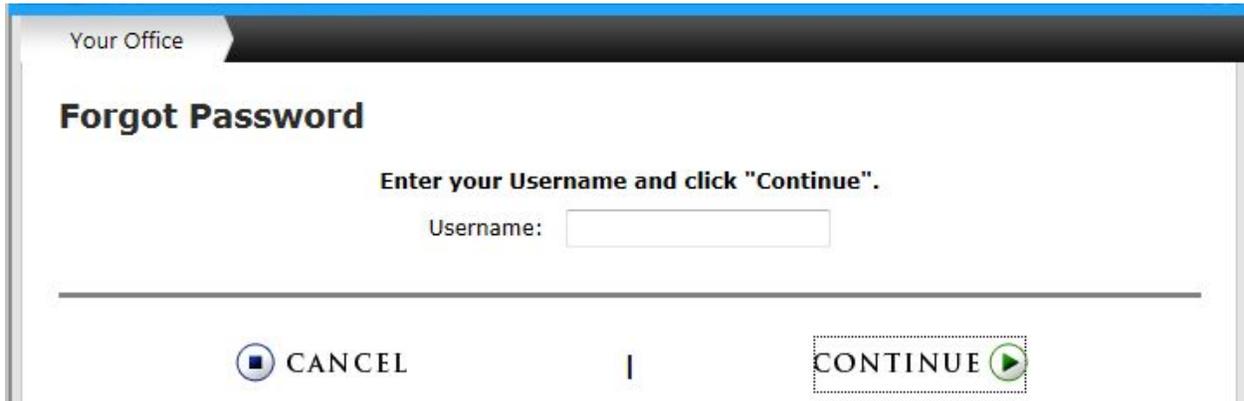
You will be prompted to enter the email address that was entered when your account was created. Select the **CONTINUE** button.



An email containing your username will be sent to the email address that you entered.

Retrieving and Resetting Your Password

When a new preparer is added in the configuration menu, they should have come up with a security question to answer in the event that they forget their password. If the preparer knows their username, but forgets their password, select the **Forgot Password** link located just under the login box.



Enter your username in the space provided and select **CONTINUE**. The security question that you entered into configuration for this preparer will be displayed on the screen. The correct answer should be entered into the space provided. After you enter the correct answer, select **CONTINUE**.

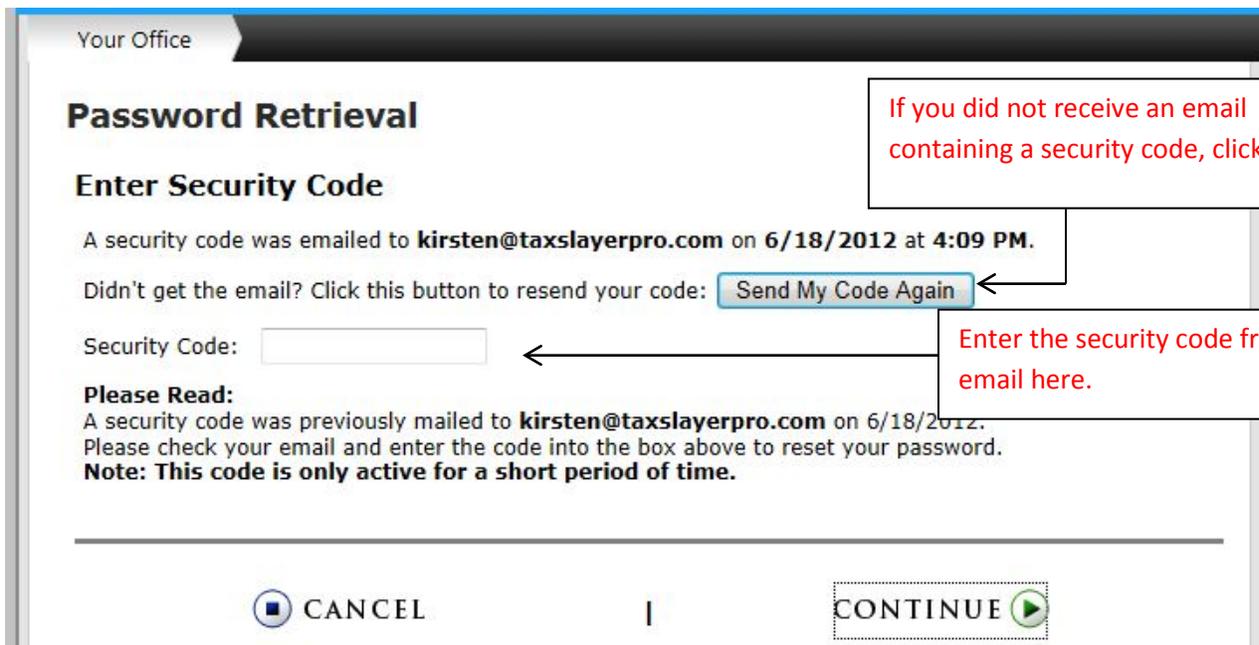


After entering the correct answer to your security question, you will be prompted to reset your account password. To ensure accuracy, you must enter the new password in both of the spaces provided. When you are finished, select **Continue**. Select the **Return to Login** button to log in to the program with your new password.



Select Return to Login to log into the program with your new password.

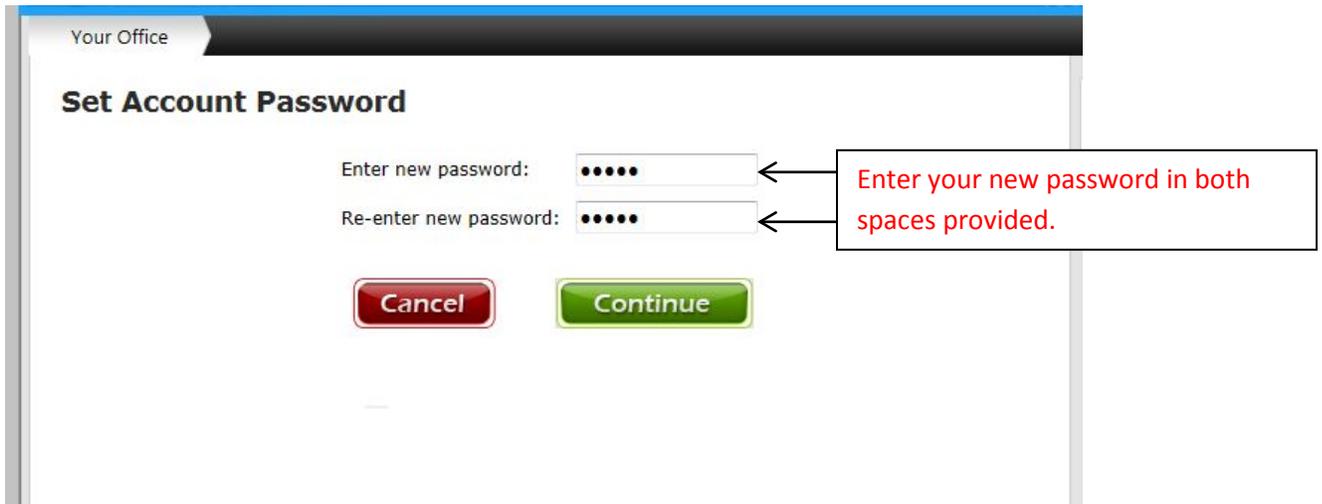
If you have forgotten the answer to your security question, click on the **Forgot Answer** button. An email containing a unique Security Code will immediately be sent to the email address that is entered in your configuration. Enter the unique code from the email in the space provided and select the **CONTINUE** button.



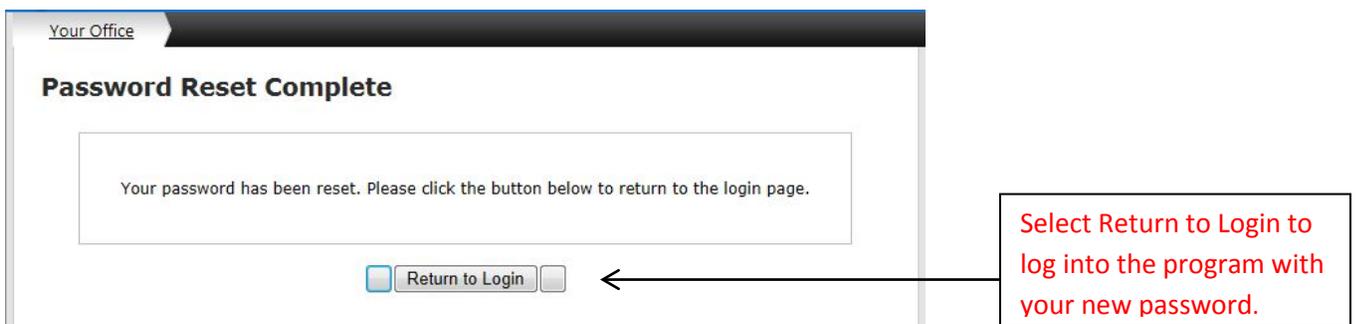
If you did not receive an email containing a security code, click here.

Enter the security code from the email here.

After entering the unique passcode, you will be prompted to reset your account password. To ensure accuracy, you must enter the new password in both of the spaces provided. When you are finished, select **Continue**.



Select the **Return to Login** button to log in to the program with your new password.



You will be taken back to the main login page for The tax program. Enter your user name and your new password to log in to your program.

Tax Return Preparer Requirements

PTIN Requirements

Continuing Education Requirements

Due Diligence Requirements

Registered Tax Return Preparer (RTRP) Competency Exam

IRS e-File Mandate

Chapter 6 – Tax Return Preparer Requirements...

PTIN Requirements

Beginning on January 1, 2011 all paid preparers and EAs must have a Preparer Tax Identification Number (PTIN) before preparing tax returns. The PTIN replaces the preparer's social security number on all tax forms and is required to be renewed annually by December 31st of the current year. You can apply for a new PTIN, or renew your current PTIN by visiting www.irs.gov and selecting the Tax Professionals tab at the top of the page.

To apply for, or to renew your PTIN, follow these steps:

- **Create or Access Your PTIN Account from www.irs.gov**
- **Fill out the initial application, or renew your PTIN** – Complete the online initial application or the online renewal application. You are required to verify your personal information and answer a series of questions pertaining to your account. See Appendix X on page XX for a list of items you will need before you get started.
- **Pay a fee** – The fee to apply for a new PTIN is \$64.25. The fee to renew a PTIN is \$63.00.
- **View Your Next Steps** - Review your next steps from your PTIN account, including any testing and continuing education requirements. Remember to renew your PTIN each calendar year.

If you don't have an online PTIN account, you can renew using a paper Form W-12 marked "renewal". You can also call the PTIN Help Line (**Primary Toll-Free: 877-613-7846**) to request an online activation code and instructions for creating an online account and linking it to your existing information. It only takes about 15 minutes to sign up or renew online and receive your PTIN.

Updating Your PTIN Account Information

PTIN holders with an online account can update most information online. After logging into the account:

Select "**Manage PTIN Account Information**" to update:

- Personal mailing address
- Personal phone number
- Business name
- Business website address
- Business phone number
- Business mailing address
- CAF, EIN, EFIN

Select "View or Edit Account Login Information" to update:

- Email address

To update Professional Credentials

- Add your updated credential when you renew your PTIN or
- Call the IRS Tax Professional PTIN Information Line **877-613-7846**

To change your Name

- Submit a written request;
- Include a notarized copy of a document to support the name change (social security card, marriage certificate, divorce decree, government issued photo ID, or certificate of citizenship or naturalization); and
- Mail to:

IRS Tax Professional PTIN Processing Center
104 Brookeridge Drive #5000
Waterloo, IA 50702

Allow 4-6 weeks for a reply.

Continuing Education Requirements

In an effort to improve the quality and oversight of the tax preparation industry, the IRS has stepped up their role in the regulation of tax return preparers. To ensure that tax professionals are properly educated, the IRS has mandated that all tax return preparers who are not CPAs, EAs, attorneys, supervised preparers or non-1040 preparers pass a minimal competency exam, suitability check and complete 15 hours of continuing education each year.

The continuing education requirement, which began this year (2012) The continuing education requirement, which began this year (2012), must be met by December 31, 2012 by all Registered Tax Return Preparer and RTRP candidates. If a client provides a social security card and you use it to determine eligibility for or amount of EITC, you must keep a copy.

The 15 hours of continuing education must include each of the following:

- 2 hours of ethics
- 3 hours of federal tax law updates
- 10 hours of other federal tax law

In addition to completing the 15 hours of continuing education, the IRS requires that tax preparers retain the following records for four (4) years:

- The name of the CE provider organization
- The location of the program
- The title of the program, approval number received for the program, and copy of the program content
- Written outlines, course syllabi, textbook and/or electronic materials provided or required for the program
- The date (s) attended
- The credit hours claimed
- The name (s) of the instructor (s), discussion leader (s), or speaker (s) and
- The certificate of completion and/or signed statement of the hours of attendance obtained from the continuing education provider

Due Diligence Requirements

The IRS has imposed four major due diligence requirements regarding the Earned Income Tax Credit that must be applied to every tax return prepared by you, the tax preparer. The four requirements will be explained in detail throughout this guide to help you develop a complete understanding of each. The information provided on these pages is meant to aid in your efforts as a paid tax preparer to create accurate returns for your clients.

1. Completion of Eligibility Checklist (Form 8867) - The purpose of Form 8867 is to ensure that the tax preparer has considered all applicable EITC eligibility requirements for each prepared tax return. You should ask questions applicable to each client and be able to explain the meaning and reasoning behind each question when needed. Form 8867 should be completed based on information provided by the taxpayer to the tax return preparer.

2. Computation of the Credit - The tax program Pro software calculates the correct amount of Earned Income Credit on the tax returns that you prepare. Special rules regarding the treatment of income, deductions, credits, etc. in certain circumstances are all preprogrammed into the software. Although the software calculates the amount of the Earned Income Credit, the calculations are based strictly on the information and data that is entered into the tax return. It is the responsibility of the taxpayer to ensure the accuracy of all figures used in the calculation of the EITC.

3. Knowledge - The knowledge requirement states you must not know, or have reason to know that any information used in determining your client's eligibility for or the amount of, EITC is incorrect. You must ask additional questions of the client if the information your client

gives you seems incorrect, incomplete or inconsistent. You are required to document the questions asked and the answers given at the time of the interview.

4. Record Retention - The IRS requirement for keeping records is more extensive than you may have realized. Use the following list as a guideline to ensure you are retaining copies of all IRS required documentation.

- Keep a copy of Form 8867 and the EIC Worksheet as well as a record of any additional questions that you asked your client to comply with your due diligence requirements. Also keep a record of the client's answer to the questions that you asked.
- Keep copies of any documents your client gives you that you use to determine eligibility for, or the amount of the EITC.
- Verify the identity of the person giving you the return information and keep a record of who provided the information and when you received it.
- Keep your records in either paper or electronic format, but make sure you can refurnish copies if requested by the IRS.

Registered Tax Return Preparer (RTRP) Competency Exam

All preparers who have obtained a Provisional PTIN before April 18, 2012, will have until December 31, 2013 to pass the RTRP competency test. Once the April 18th date passes, paid preparers will not be issued a PTIN until they have passed the competency exam and background check. There is currently one exam that tests preparer knowledge in preparing Form 1040 returns. The testing site will provide copies of Publication 17 and 1040 instructions to use for the test. Listed below are the details you need to know to be prepared for the new testing requirements.

- Registered Tax Return Preparers have until December 31, 2013 to pass the competency test.
- Scheduling an appointment will be done through the online PTIN account you used to renew or register your PTIN at www.irs.gov/ptin.
- The fee to take the test is \$116.
- The fee is paid online at the time of scheduling a test appointment.
- The competency test will be taken at a Prometric Test Center.
- The test will cover Tax Year 2010 Form 1040 and related schedules.
- The test will take two and a half hours and will contain 120 multiple choice / true or false questions.

- A valid, government issued photo identification must be presented at the time of the test.
- The test is available in English only.

To schedule an appointment to take the competency exam, you must log into your online PTIN account at www.irs.gov.

IRS e-File Mandate

The IRS has imposed an electronic filing mandate on tax return preparers who prepare individual income tax returns. Beginning in 2102, any tax return preparer who prepares 11 or more federal income tax returns are required to electronically file those returns. If a taxpayer does not wish to have their tax return electronically filed, or an electronically filed tax return has been rejected by the IRS and cannot be corrected, Form 8948, e-File opt out form, must be mailed with the tax return.

*See Appendix L for a sample of this form.

Appendix

Appendix A – Form W-2

Appendix B – Forms 1099-INT and 1099-DIV - Interest and Dividend Income

Appendix C – Form 1099-R - Retirement Income

Appendix D – Form 1098-T - Tuition Expenses

Appendix E – Form 1099-S - Proceeds From Real Estate Transactions –

Appendix F – Form 1099-C - Cancellation of Debt

Appendix G – Applying for a PTIN

Appendix H – Renewing Your PTIN

Appendix I – Pulling Forward Prior Year Data

Appendix J – Form 2120 – Multiple Support Declaration

**Appendix K – Form 8332 – Release/Revocation of Release of Claim to Exemption for Child by
Custodial Parent**

Appendix L – Form 8948 – Preparer Explanation for Not Filing Electronically

Appendix M – Voided Receipts Report

Appendix N – Transmitted Returns Report

Appendix O – Returns Not Transmitted Report

Appendix P – New Business Report

Appendix Q – Inventory Report

Appendix R – Fee Deposit Report

Appendix S – Fees Charged Report

Appendix T – Federal Mailing Addresses

Reference Material

Consent to Disclose

Consent to Use

Appendix A

Your Office > Basic Information > Federal Section > State Section > Summary > EFile

Income > Deductions > Other Taxes > Payments & Estimates > Miscellaneous Forms

W-2

1

a Control Number Check here if this is a standard W2. Check here if this is a substitute W2.
 Not needed for e-filing Check here if this is a corrected W2.

Whose W-2 is this?	Wages						
<input type="radio"/> Taxpayer Testing <input type="radio"/> Tammy Testing	1 Wages, Tips 30000	2 Federal Tax Withheld 3000					
Employer	3 SS Wages 30000	4 Soc. Sec. Tax Withheld 1260.00					
b EIN 12 - 3456789	5 Medicare Wages 30000	6 Medicare Tax 435.00					
c Employer Name ABC Company	7 SS Tips	8 Allocated Tips					
<input type="checkbox"/> Check here if foreign address	9	10 Dependent Care					
Street Address: 123 Main Street	11 NonQual Plan	12 Learn more 3					
City, Town, or Post Office: Evans	Unreported Tips	Code Amount					
State: Georgia	13 Learn more 4	<input type="text"/>					
Zip Code: 30809	<input type="checkbox"/> Statutory Employee <input type="checkbox"/> Retirement Plan <input type="checkbox"/> Third Party Pay	<input type="text"/>					
Note: Information entered above must match the IRS Master File. Please Verify.	14 Learn more 5	<input type="text"/>					
Employee	Code	Amount					
<input type="checkbox"/> Check here if foreign address	<input type="text"/>	<input type="text"/>					
Street Address: 555 First Avenue	<input type="text"/>	<input type="text"/>					
City, Town, or Post Office: Evans	<input type="text"/>	<input type="text"/>					
State: Georgia	<input type="text"/>	<input type="text"/>					
Zip Code: 30809	<input type="text"/>	<input type="text"/>					
State Information							
6 15 State Name	State EIN	16 St Wages	17 St Tax Paid	18 Local Wages	19 Local Tax Paid	20 Local Name	Clear
Georgia	123123123123	30000	2800				Clear
Please Select-							Clear
Please Select-							Clear
Please Select-							Clear

Place a check mark in the box if the employer address or the employee address is a foreign address. The address fields will change to accommodate a foreign address entry.

1 – Place a checkmark in the appropriate box if this is a substitute or corrected W-2.

If this is a **corrected W-2**, place a check mark in the box and uncheck the standard W-2 box. You will be prompted to enter an explanation of how you determined the amounts that you entered on the substitute W-2. You will also be prompted to enter an explanation as to the efforts that the taxpayer took to obtain a standard W-2 from the employer. Form 4852, Substitute for Form W-2 will be automatically generated and will print with the tax return.

If this is a corrected W-2, place a checkmark in the appropriate box and uncheck the standard W-2 box. This is an electronic field only that will be transmitted with the tax return to the IRS to help them reconcile the taxpayer's correct income and withholding.

2 – These fields will auto-populate with the correct figure when an amount is entered in box 3 or 5.

3 - There are several types of compensation and benefits that can be reported in Box 12 of Form W-2. Box 12 will report a single letter or double letter code followed by a dollar amount. Here are the codes for Box 12:

- A - Uncollected social security or RRTA tax on tips. Include this tax on Form 1040. See "Total Tax" in the Form 1040 Instructions. The tax program automatically pulls this amount to the Total Tax line of Form 1040 and denotes it with code UT.
- B - Uncollected Medicare tax on tips. Include this tax on Form 1040. See "Total Tax" in the Form 1040 Instructions. The tax program automatically pulls this amount to the Total Tax line of Form 1040 and denotes it with code UT.
- C - Taxable cost of group term life insurance over \$50,000 (*included in boxes 1 and 3 (up to social security wage base)*), and box 5. This amount is already included in the taxable income of the W-2. It is not reported separately on Form 1040.
- D - Nontaxable elective deferrals to a 401(k) cash or deferred arrangement. Also includes deferrals under a SIMPLE retirement account that is part of a section 401(k) arrangement. The tax program pulls this amount to Form 8880.
- E - Nontaxable elective deferrals under a section 403(b) salary reduction agreement. The tax program pulls this amount to Form 8880.
- F - Nontaxable elective deferrals under a section 408(k)(6) salary reduction SEP. The tax program pulls this amount to Form 8880.
- G - Nontaxable elective deferrals and employer contributions (*including non-elective deferrals*) to a section 457(b) deferred compensation plan. The tax program pulls this amount to Form 8880.

- H - Nontaxable elective deferrals to a section 501(c)(18)(D) tax-exempt organization plan. The tax program pulls this amount to Form 8880.
- J - Nontaxable sick pay (*information only, not included in boxes 1, 3 or 5*).
- K - 20% excise tax on excess golden parachute payments. See "Total Tax" in the Form 1040 Instructions.
- L - Substantiated employee business expense reimbursements (nontaxable).
- M - Uncollected social security or RRTA tax on taxable cost of group-term life insurance over \$50,000 (*former employees only*). See "Total Tax" in the 1040 Instructions. The tax program automatically pulls this amount to the Total Tax line of Form 1040 and denotes it with code UT.
- N - Uncollected Medicare tax on taxable cost of group-term life insurance over \$50,000 (*former employees only*). See "Total Tax" in the 1040 Instructions. The tax program automatically pulls this amount to the Total Tax line of Form 1040 and denotes it with code UT.
- P - Excludable moving expense reimbursements paid directly to employee (*not included in boxes 1, 3 or 5*).
- Q - Nontaxable combat pay. See the instructions for Form 1040 or Form 1040A for details on reporting this amount.
- R - Employer contributions to your Archer MSA. Report on Form 8853.
- S - Employee salary reduction contributions under a section 408(p) SIMPLE (*not included in box 1*). The tax program pulls this amount to Form 8880.
- T - Adoption benefits (not included in box 1). Complete Form 8839, to compute any taxable and nontaxable amounts.
- V - Income from exercise of non-statutory stock option(s) (*included in boxes 1, 3 (up to social security wage base), and 5*). See Pub. 525 and instructions for Schedule D (Form 1040) for reporting requirements.
- W - Employer contributions (including amounts the employee elected to contribute using a section 125 (*cafeteria plan*) to your health savings account. Report on Form 8889. The tax program pulls this amount to Form 8889.
- Y - Deferrals under a section 409A nonqualified deferred compensation plan.
- Z - Income under section 409A on a nonqualified deferred compensation plan. This amount is also included in box 1. It is subject to an additional 20% tax plus interest. See "Total Tax" in the Form 1040 instructions.

- AA - Designated Roth contributions under a section 401(k) plan. The tax program pulls this amount to Form 8880.
- BB - Designated Roth contributions under a section 403(b) plan. The tax program pulls this amount to Form 8880.
- DD - Cost of employer-sponsored health coverage. The amount reported with Code DD is not taxable.
- EE - Designated Roth contributions under a governmental section 457(b) plan. This amount does not apply to contributions under a tax-exempt organization section 457(b) plan.

4 – Box 13 is used to mark a W-2 for any of the following:

Statutory Employee – A statutory employee is an employee whose earnings are subject to social security and Medicare tax, but not income tax. Full-time life insurance salespeople (traveling or not), agents, commission drivers, and home-workers can file as self-employed instead of filing as employees. A statutory employee can deduct business expenses, which may include the cost of travel, entertainment, and business use their car, directly on Schedule C instead of itemizing them on Schedule A.

If the statutory employee box is checked, you must file a Schedule C for your client. You should report the income on the Schedule C – Income Menu on the line that reads **“Income reported to you on Form W-2 as Statutory Employee”**.

You will receive the following message if you mark the W-2 as a statutory employee:

In Box 13 you indicated that you are a Statutory Employee. Please verify that this box is checked on the hard copy of your W-2.

If this box IS NOT checked on the hard copy of your W-2, select "Return to W-2" and uncheck the Statutory Employee box in Box 13 before continuing with your return.

If this box IS checked on the hard copy of your W-2, you will need to create a Schedule C for this income. To do this now, select "Create a Schedule C". To complete your Schedule C later, select "Continue with Return."

For more information about being a Statutory Employee, [click here](#).

Select this option to return to the W-2 and unmark it as a statutory employee.

→

Return to W-2

➡

Select Continue with Return if you will enter the Schedule C for this W-2 later.

→

Continue with Return

➡

Select Create Schedule C if you will enter the Schedule C for this W-2 now.

→

Create a Schedule C

➡

Retirement Plan – The retirement plan box is checked if your client participated in an employer retirement plan. The IRS uses this information to determine if your client is eligible to contribute to an IRA. Any amounts entered in Box 12 that are Elective deferrals to a 401(k) or other qualified employer plan, voluntary employee contributions, and 501(c)(18)(D) plan contributions for 2011 will pull to Form 8880, Credit for Qualified Retirement Savings Contributions.

Third Party Pay – If the Taxpayer received a W-2 with only third party sick pay (Code J, Box 12), do not report this information on the tax return. It is considered non-taxable.

Generally, you must report as income any amount your client received for personal injury or sickness through an accident or health plan that is paid for **by their employer**. If both your client and their employer paid for the plan, only the amount they receive that is due to their employer's payments is reported as income.

5 – Box 14 is used by employers to give employees any additional information regarding this year's income. Generally, any amounts entered in box 14 are for informational purposes only. Examples of items reported in Box 14 include:

- state disability insurance taxes withheld
- union dues (can be deducted on Schedule A)
- uniform payments (can be deducted on Schedule A)
- health insurance premiums deducted (not pre-tax)(can be deducted on Schedule A)
- nontaxable income
- educational assistance payments
- clergy parsonage allowance and utilities

6 – Use boxes 15 – 20 to report state wages, state tax paid and locality information for up to 4 states. If you need additional space to enter more than 4 states, you will need to create an additional W-2. The amount you enter in box 1 of each W-2 should match the total amount of state wages reported on this W-2.

Appendix B

If your client's interest income totals over \$1,500, it must be entered on Schedule B.

Interest Income

Type of transaction: **Interest Income** **1**

Payer's Name:

Taxpayer, Spouse, or Joint? **Taxpayer**

Interest Income: (Box 1) \$ Early Withdrawal Penalty: (Box 2) \$

Interest on U.S. Savings Bonds and Treasury obligations: (Box 3) \$ **2**
(Note: Enter Taxable amount only)

Federal Tax Withheld: (Box 4) \$

Amount of Interest on U.S. Savings Bonds and Treasury obligations that you want subtracted from your state return: \$ **3**

[Learn more](#)

Nominee Interest \$ OID Adjustment \$ **4**

Accrued Interest \$ ABP Adjustment \$

Accrued Market Discount \$

1 - The type of transaction is the selection you made for this entry. Types of transactions include the following:

- **Interest Income**
- **Tax Exempt Interest Income, Form 1099-INT, Box 8**
- **Dividend Income, From 1099-DIV, Box 1**
- **Seller Financed Interest Income**

2. Interest Income – Enter the payer's name and select whether or not the interest income belongs to the taxpayer, the spouse or if it is joint income.

Interest Income (Box 1): Shows taxable interest paid. This does not include interest shown in box 3.

Early Withdrawal Penalty (Box 2): The amount in box 2 shows the interest or principal forfeited because of early withdrawal of time savings. If an amount in box 2 of the Form 1099-INT is present, enter the amount in this box. This amount is carried as an adjustment to Form 1040, Penalty on Early Withdrawal of Savings.

Interest on U.S. Savings Bonds and Treasury Obligations (Box 3): The amount in box 3 shows interest on U.S Savings Bonds, Treasury bills, Treasury bonds, and Treasury notes. This amount may or may not all be taxable. See Publication 550 - Investment Income and Expenses. Any amount that is determined to be taxable should be entered on this line.

Federal Tax Withheld (Box 4): Box 4 shows backup federal withholding. If any federal tax was withheld in box 4, enter this amount here. This amount will carry to the payments section of Form 1040.

3. State Exempt Interest: If the interest is exempt from state taxes, include the exempt interest amount and select the state from the drop down list. If you are unsure whether this amount is tax exempt in a specific state, refer to the state instructions for that state.

4. Nominee Interest: Is income reported to a taxpayer that belongs (*in whole or in part*) to someone else. If several taxpayers jointly own a bank account, for example, one owner usually receives the Form 1099-INT for all taxable interest for the year as a nominee.

Reporting Nominee Interest:

The amount entered in Box 1 of Form 1099-INT should be entered into the interest income box on the Interest Income Menu. The amount of Nominee Interest should be entered in the Nominee Interest Box. This amount will be subtracted from the total of the taxable interest reported on the tax return.

Accrued Interest

- **Seller.** If a bond is sold between interest payment dates, part of the sales price represents interest accrued to the date of sale. A taxpayer who sells the bond must report the accrued interest portion of the sales price as interest income in the year of the sale.
- **Buyer.** If a bond is purchased between interest payment dates, part of the sales price represents interest accrued before the date of purchase. A

taxpayer who buys the bond treats the accrued interest portion of the purchase price as a return of capital by reducing basis in the bond. Interest reported on Form 1099-INT that includes interest accrued before the date of purchase should be listed in full on Schedule B. Then, subtract the amount of 'Accrued Interest' from the subtotal of all interest income received.

Accrued Market Discount: The accrued market discount is figured in one of two ways -

- **Ratable accrual method.** Treat the market discount as accruing in equal daily installments during the period you hold the bond. Figure the daily installments by dividing the market discount by the number of days after the date you acquired the bond, up to and including its maturity date. Multiply the daily installments by the number of days you held the bond to figure your accrued market discount.
- **Constant yield method.** Instead of using the ratable accrual method, you can choose to figure the accrued discount using a constant interest rate (*the constant yield method*). Make this choice by attaching to your timely filed return a statement identifying the bond and stating that you are making a constant interest rate election. The choice takes effect on the date you acquired the bond. If you choose to use this method for any bond, you cannot change your choice for that bond.

Original Issue Discount (OID) Adjustment: OID is a form of interest. It is the excess of a debt instrument's stated redemption price at a maturity over its issue price (*acquisition price for a stripped bond or coupon*). Generally OID is included in income as it accrues over the term of the debt instrument, whether or not you receive any interest payments from the issuer. Obligations that may have OID include debt instruments such as a bond, note, debenture, or other evidence of indebtedness having a term of more than one year. In most cases, the entire amounts in boxes 1 and 2 of Form-OID must be reported as interest income. See Publication 1212 for details on refiguring OID.

Amortizable Bond Premium (ABP) Adjustment: If a taxpayer pays a premium to buy a bond, the premium is part of the taxpayer's basis in the bond. If the bond yields taxable interest, you can elect to amortize the premium. This generally means that each year, over the life of the bond, you use a part of the premium to reduce the amount of interest includible in your income. If you make this choice, you must reduce your basis in the bond by the amortization for the year. See Publication 550.

If the bond yields tax-exempt interest, the taxpayer must amortize the premium. The amount is used to reduce the amount of tax-exempt interest reported on line 8b, Form 1040, and also reduces the taxpayer's basis in the bond.

Tax Exempt Interest-

Simply stated, taxable interest is interest income that is exempt from federal income tax. Although it is not directly taxed, this income may still be required to determine other tax calculations such as Social Security benefits.

Schedule B Other Interest

Type of transaction: **Tax Exempt Interest, Box 8**

Payer's Name:

Taxpayer, Spouse, or Joint? **1**

Interest Income: \$

To add/edit state taxable interest items, click here **2**

1. Enter the payer's name and select whether the interest income belongs to the taxpayer, the spouse or if it is joint income. Enter the amount of tax exempt interest from Box 8 of the 1099-B.

2. If any of the tax exempt interest is not exempt from state taxes, select the **Add/Edit** button next to this option. On the next screen, select **Add a Taxable State Interest**. Enter the required information and select **Continue To Next Step**.

Dividend Interest –

Enter your Dividend Income (Form 1099-DIV)

Type of transaction: **Dividend Income**

Payer's Name: **1**

Taxpayer, Spouse, or Joint? ▼

Ordinary Dividends: (Box 1a)	\$ <input type="text" value="2000"/>	Qualified Dividends (amount of ordinary dividends that are considered qualified):(Box 1b)	\$ <input type="text" value="1000"/>
Capital Gain to Schedule D: (Box 2a)	\$ <input type="text"/>	Unrecaptured Section 1250 Gain: (Box 2b)	\$ <input type="text"/> 2
Section 1202 Gain: (Box 2c)	\$ <input type="text"/>	Collectibles (28%) Gain: (Box 2d)	\$ <input type="text"/>
Nondividend Distributions: (Box 3)	\$ <input type="text"/>	Federal Income Tax Withheld: (Box 4)	\$ <input type="text"/>
Foreign Tax Withheld: (Box 6)	\$ <input type="text"/>		

Nominee Dividend: \$ [Learn more](#) **3**

Amount of Interest on U.S. Savings Bonds and Treasury obligations that you want subtracted from your state return: \$ **4**

Please select your state: ▼

Dividends are distributions of money, stock, or other property made by a corporation to a shareholder. Ordinary dividends that are paid out of the earnings and profits of a C corporation are taxed as ordinary income unless the dividends are qualified dividends. See *Qualified Dividends* below.

1. Enter the payer's name and select whether the interest income belongs to the taxpayer, the spouse or if it is joint income.

2. Ordinary Dividends (Box 1a) are reported in Box 1a of Form 1099-DIV. Enter the total amount of ordinary dividends in this box.

Qualified Dividends (Box 1b) are ordinary dividends that are qualified for the same 0% or 15% maximum tax rate that applies to net capital gains. Enter the amount of ordinary dividends that are considered qualified in this box.

Total Capital Gain Distribution (Box 2a) - Shows total capital gain distributions from a regulated investment company or real estate investment trust. Report the amounts shown in box 2a on Schedule D (Form 1040), line 13. But, if no amount is shown in boxes 2c–2d and your only capital gains and losses are capital gain distributions, you may be able to report the amounts shown in box 2a on line 13 of Form 1040 (line 10 of Form 1040A) rather than Schedule D. See the Form 1040/1040A instructions.

Unrecaptured Section 1250 Gain (Box 2b) - Shows the portion of the amount in box 2a that is unrecaptured section 1250 gain from certain depreciable real property. Report this amount on the Unrecaptured Section 1250 Gain Worksheet—Line 19 in the Schedule D instructions (Form 1040).

Section 1202 Gain (Box 2c) - Shows the portion of the amount in box 2a that is section 1202 gain from certain small business stock that may be subject to a 50% exclusion and certain empowerment zone business stock that may be subject to a 60% exclusion. See the Schedule D (Form 1040) instructions.

Collectibles (28%) Gain (Box 2d) - Shows 28% rate gain from sales or exchanges of collectibles. If required, use this amount when completing the 28% Rate Gain Worksheet—Line 18 in the instructions for Schedule D (Form 1040).

Non-dividend Distributions (Box 3) - Shows the part of the distribution that is nontaxable because it is a return of your cost (or other basis). You must reduce your cost (or other basis) by this amount for figuring gain or loss when you sell your stock. But if you get back all your cost (or other basis), report future distributions as capital gains. See Pub. 550, Investment Income and Expenses.

Federal Income Tax Withheld (Box 4) - Shows backup withholding. A payer must backup withhold on certain payments if you did not give your taxpayer identification number to the payer. See Form W-9, Request for Taxpayer Identification Number and Certification, for information on backup withholding. Include this amount on your income tax return as tax withheld.

Foreign Tax Withheld (Box 6) - Shows the foreign tax that you may be able to claim as a deduction or a credit on Form 1040. See the Form 1040 instructions.

3. Nominee Dividend - Nominee Dividends are dividends reported to you that actually belong to someone else. You cannot enter an amount greater than the ordinary dividend entered in Box 1 of form 1099-DIV. If you have Nominee Capital Gains Distributions, reduce the amount of Capital Gains Distributions reported in box 2a by the nominee amount. DO NOT include the Nominee Capital Gains Distributions as a Nominee Dividend.

4. Amount of Interest on U.S. Savings Bonds and Treasury obligations that you want subtracted from your state return - Enter exempt-interest dividends paid by a RIC on

specified private activity bonds to the extent that the dividends are attributable to interest on the bonds received by the RIC minus an allocable share of the expenses.

Appendix C

1099-R is generally given to the recipients after they have received a distribution from a pensions, annuities, profit-sharing and retirement plans, or IRA account.

Income » Deductions » Other Taxes » Payments & Estimates » Miscellaneous Forms

Form 1099-R

Check here if this is a standard 1099R.

Only the amount entered in box 2a will be considered to be taxable.

Whose 1099-R is this? 1	1099-R Information 2
Recipient: <input type="radio"/> Taxpayer Testing <input checked="" type="radio"/> Tammy Testing	1 Gross Distribution <input type="text" value="20000.00"/>
Payer Information Payer's ID <input type="text" value="12"/> - <input type="text" value="1212121"/>	2a Taxable Amount <input type="text" value="10000"/> <small>Do you need to figure your taxable amount using the Simplified Method? Click here for the worksheet. Worksheet</small>
Name: <input type="text" value="Test 1099R"/>	2b <input checked="" type="checkbox"/> Taxable amount not determined <input type="checkbox"/> Total distribution
Street Address: <input type="text" value="123 Main Street"/>	3 Capital gain (included in box 2a) <input type="text"/>
City, Town, or Post Office: <input type="text" value="Augusta"/>	4 Federal income tax withheld <input type="text" value="250.00"/>
State: <input type="text" value="Georgia"/>	5 Employee contributions or insurance premiums <input type="text"/>
Zip Code: <input type="text" value="30907"/> - <input type="text"/>	6 Net unrealized appreciation in employer's securities <input type="text"/>
<input type="checkbox"/> Check here if foreign address	7 Distribution codes <input type="text" value="1"/> <input type="checkbox"/> IRA/SEP/Simple
Recipient Information Street Address: <input type="text" value="555 Main Street"/>	8 Other (Not collected) <input type="text"/>
City, Town, or Post Office: <input type="text" value="Evans"/>	9a Your percentage of total distribution <input type="text"/> %
State: <input type="text" value="Georgia"/>	9b Total employee contributions <input type="text"/>
Zip Code: <input type="text" value="30809"/> - <input type="text"/>	State/Local Information 3
<input type="checkbox"/> Check here if foreign address	12 Tax W/H <input type="text"/>
13a State <input type="text" value="Please Select-"/>	13b ID <input type="text"/>
14 State Distr <input type="text"/>	15 Local Tax <input type="text"/>
16 Locality Name <input type="text"/>	17 Local Distrib <input type="text"/>
Rollover or Disability 4	
<input checked="" type="checkbox"/> Check here if all/part of the distribution was rolled over, and enter the rollover amount. \$ <input type="text" value="10000.00"/>	
<input type="checkbox"/> Check here to report on Form 1040, Line 7 (Distribution code must be a "3")	

Place a Check in this Box if the Address is a Foreign Address. The Address Fields Will Change to Accommodate a Foreign Address Entry.

Place a Check in this box if the Distribution was from an IRA/SEP/ or Simple Account.

1. Select the Recipient's name

Enter the Payer's ID, Name and Address

- 2. Gross Distribution (Box 1)**- Shows the total amount the client received this year. The amount may have been a direct rollover, a transfer or conversion to a Roth IRA, a re-characterized IRA contribution; or they may have received it as periodic payments, as non-periodic payments, or as a total distribution.

Taxable Amount (Box 2a)- This part of the distribution is generally taxable. If there is no entry in this box, the payer may not have all the facts needed to figure the taxable amount. In that case, the first box in box 2b should be checked.

Capital Gain (Box 3)- If the client received a lump-sum distribution from a qualified plan and were born before January 2, 1936 (or you are the beneficiary of someone born before January 2, 1936), you may be able to elect to treat this amount as a capital gain on Form 4972.

Federal Income Tax Withheld (Box 4)- Shows federal income tax withheld from distribution.

Employee Contributions or Insurance Premiums (Box 5)- Shows the employee's investment in the contract (after-tax contributions), if any, recovered tax free this year.

Net Unrealized Appreciation in Employer's Securities (Box 6)-

If the client received a lump-sum distribution from a qualified plan that includes securities of the employer's company, the net unrealized appreciation (NUA) is taxed only when they sell the securities unless they choose to include it in their gross income this year.

Distribution codes- The following codes identify the distribution you received. Also, certain distributions may be subject to an additional 10% tax.

1—Early distribution, no known exception (in most cases, under age 59½).

2—Early distribution, exception applies (under age 59½).

3—Disability.

4—Death.

5—Prohibited transaction.

6—Section 1035 exchange (a tax-free exchange of life insurance, annuity, qualified long-term care insurance, or endowment contracts).

7—Normal distribution.

8—Excess contributions plus earnings/excess deferrals (and/or earnings) taxable in 2012.

9—Cost of current life insurance protection.

A—May be eligible for 10-year tax option (see Form 4972).

B—Designated Roth account distribution.

Note. If Code B is in box 7 and an amount is reported in box 10, see the instructions for Form 5329.

E—Distributions under Employee Plans Compliance Resolution System (EPCRS).

F—Charitable gift annuity.

G—Direct rollover of a distribution (other than a designated Roth account distribution) to a qualified plan, a section 403(b) plan, a governmental section 457(b) plan, or an IRA.

H—Direct rollover of a designated Roth account distribution to a Roth IRA.

J—Early distribution from a Roth IRA, no known exception (in most cases, under age 59½).

L—Loans treated as distributions.

N—Re-characterized IRA contribution made for 2012 and re-characterized in 2012.

P—Excess contributions plus earnings/excess deferrals (and/or earnings) taxable in 2011.

Q—Qualified distribution from a Roth IRA.

R—Re-characterized IRA contribution made for 2011 and re-characterized in 2012.

S—Early distribution from a SIMPLE IRA in first 2 years, no known exception (under age 59½).

T—Roth IRA distribution, exception applies.

U—Dividend distribution from ESOP under sec. 404(k). **Note.** This distribution is not eligible for rollover.

W—Charges or payments for purchasing qualified long-term care insurance contracts under combined arrangements.

Percentage of Total Distribution (Box 9a)-

If a total distribution was made to more than one person, the percentage your client received is shown.

Total Employee Contributions (Box 9b)- For a life annuity from a qualified plan or from a section 403(b) plan that an amount may be shown for the employee's total investment in the contract. It is used to compute the taxable part of the distribution.

3. Enter any State or Local information that might pertain to the client's distribution.

4. Rollover or Disability- Place a check in this box if all or part of the distribution was rolled over, then enter the roll over amount. This amount is generally excluded from the taxable amount in box 2a.

Appendix D

An eligible educational institution, such as a college or university in which the client is enrolled, and an insurer who makes reimbursements or refunds of qualified tuition and related expenses to the client must furnish this statement to them.

CORRECTED

FILER'S name, street address, city, state, ZIP code, and telephone number		1 Payments received for qualified tuition and related expenses \$ 1	OMB No. 1545-1574 2012 Form 1098-T	Tuition Statement Copy B For Student This is important tax information and is being furnished to the Internal Revenue Service.
		2 Amounts billed for qualified tuition and related expenses \$ 2		
FILER'S federal identification no.	STUDENT'S social security number	3 If this box is checked, your educational institution has changed its reporting method for 2012 <input type="checkbox"/>		
STUDENT'S name		4 Adjustments made for a prior year \$ 3	5 Scholarships or grants \$ 4	
Street address (including apt. no.)		6 Adjustments to scholarships or grants for a prior year \$ 5	7 Checked if the amount in box 1 or 2 includes amounts for an academic period beginning January - March 2013 <input type="checkbox"/>	
City, state, and ZIP code				
Service Provider/Acct. No. (see Instr.)	8 Check if at least half-time student <input type="checkbox"/>	9 Checked if a graduate student <input type="checkbox"/>	10 Ins. contract reimb./refund \$	
Form 1098-T		(keep for your records)	Department of the Treasury - Internal Revenue Service	

1. **Payments for Qualified Tuition and Related Expenses-** Shows the total payments received in 2012 from any source for qualified tuition and related expenses less any reimbursements or refunds made during 2012 that relate to those payments received during 2012.
2. **Amount Billed for Qualified Tuition and Related Expenses-** Shows the total amounts billed in 2012 for qualified tuition and related expenses less any reductions in charges made during 2012 that relate to those amounts billed during 2012.
3. **Adjustments made for a prior year-** Shows any adjustment made for a prior year for qualified tuition and related expenses that were reported on a prior year Form 1098-T. This amount may reduce an allowable education credit that your client claimed for the prior year.
4. **Scholarships or Grants-** Shows the total of all scholarships or grants administered and processed by the eligible educational institution. The amount of scholarships or grants for the calendar year (including those not reported by the institution) may reduce the amount of the education credit your client claims for the year.
5. **Adjustments to Scholarships or Grants for Prior Years-** Shows adjustments to scholarships or grants for a prior year. This amount may affect the amount of any allowable tuition and fees deduction or education credit that your client claimed for the prior year. Your client may have to file an amended income tax return (Form 1040X) for the prior year.

Appendix E

For sales or exchanges of certain real estate, the person responsible for closing a real estate transaction must report the real estate proceeds to the Internal Revenue Service and must furnish this statement to the taxpayer. To determine if your client may have to report the sale or exchange of the main home on their tax return, see the instructions [for Schedule D \(Form 1040\)](#).

CORRECTED (if checked)

FILER'S name, street address, city, state, ZIP code, and telephone no.		1 Date of closing 1	OMB No. 1545-0997 2012 Form 1099-S	Proceeds From Real Estate Transactions
		2 Gross proceeds 2 \$		
FILER'S federal identification number	TRANSFEROR'S identification number	3 Address or legal description 3		Copy B For Transferor This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this item is required to be reported and the IRS determines that it has not been reported.
TRANSFEROR'S name Street address (including apt. no.) City, state, and ZIP code		4 Transferor received or will receive property or services as part of the consideration (if checked) <input checked="" type="checkbox"/>		
Account or escrow number (see instructions)		5 Buyer's part of real estate tax 4 \$		

Form **1099-S** (keep for your records) Department of the Treasury - Internal Revenue Service

If marked, this shows that the client received or will receive services or property as part of the consideration for the property transferred. The value of any services or property that is not included in box 2.

- 1. Date of Closing-** Shows the date of closing.
- 2. Gross Proceeds-** Shows the gross proceeds from the real estate transaction, generally the sales price. Gross proceeds include cash and notes payable to the taxpayer, notes assumed by the transferee (buyer), and any notes paid off at settlement. Box 2 does not include the value of other property or services the taxpayer received or will receive.
- 3. Address or Legal Description-** Shows the address or legal description of the property transferred.
- 4. Buyer's Part of Real Estate Tax-** Shows certain real estate tax on a residence charged to the buyer at settlement. If the client has already paid the real estate tax for the period that includes the sale date, subtract the amount in box 5 from the amount already paid to determine their deductible real estate tax. But if the client has already deducted the real estate tax in a prior year, generally report this amount as income on the "Other income" line of the appropriate income tax form.

Appendix F

Your Client received this form because a Federal Government agency or an applicable financial entity (a lender) has discharged (canceled or forgiven) a debt they owed, or because an identifiable event has occurred that either is or is deemed to be a discharge of a debt of \$600 or more. If a creditor has discharged a debt they owed, they are required to include the discharged amount in their income, even if it is less than \$600, on the "Other income" line of the Form 1040. However, the client may not have to include all of the canceled debt in their income. There are exceptions and exclusions, such as bankruptcy and insolvency.

CORRECTED (if checked)

CREDITOR'S name, street address, city, state, ZIP code, and telephone no.		1 Date of identifiable event 1	OMB No. 1545-1424 2012 Form 1099-C	Cancellation of Debt
		2 Amount of debt discharged \$ 2		
		3 Interest if included in box 2 \$ 3		
CREDITOR'S federal identification number	DEBTOR'S identification number	4 Debt description 4		Copy B For Debtor This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if taxable income results from this transaction and the IRS determines that it has not been reported.
DEBTOR'S name				
Street address (including apt. no.)		5 If checked, the debtor was personally liable for repayment of the debt <input type="checkbox"/>		
City, state, and ZIP code				
Account number (see instructions)		6 Identifiable event code 5	7 Fair market value of property \$ 6	

Form **1099-C** (keep for your records) Department of the Treasury - Internal Revenue Service

- 1. Date of Identifiable Event-** Shows the date the earliest identifiable event occurred or, at the creditor's discretion, the date of an actual discharge that occurred before an identifiable event.
- 2. Amount of Debt Discharged-** Shows the amount of debt either actually or deemed discharged.
- 3. Interest if Included in Box 2-** Shows interest if included in the debt reported in box 2.
- 4. Debt Description-** Shows a description of the debt. If box 7 is completed, box 4 also shows a description of the property.

5. Identifiable Event Code- May show the reason the creditor has filed this form. The codes in this box are described in more detail in Pub. 4681.

- A—Bankruptcy;
- B—Other judicial debt relief;
- C—Statute of limitations or expiration of deficiency period;
- D—Foreclosure election;
- E—Debt relief from probate or similar proceeding;
- F—By agreement;
- G—Decision or policy to discontinue collection;
- H—Expiration of nonpayment testing period;
- I—Other actual discharge before identifiable event;

6. Fair Market Value of Property- If, in the same calendar year, a foreclosure or abandonment of property occurred in connection with the cancellation of the debt, the fair market value (FMV) of the property will be shown, or the client will receive a separate Form 1099-A. Generally, the gross foreclosure bid price is considered to be the FMV. For an abandonment or voluntary conveyance in lieu of foreclosure, the FMV is generally the appraised value of the property. The client may have income or loss because of the acquisition or abandonment. See Pub. 4681 for information about foreclosures and abandonments. If the property was the main home, see Pub.523 to figure any taxable gain or ordinary income.

Appendix G

Before You Begin Your PTIN Application, Be Sure You Have the Following Available:

- Social Security Number
- Personal information (name, mailing address, date of birth)
- Business information (name, mailing address, telephone number)
- Previous year's individual tax return (name, address, filing status)
- Explanations for felony convictions (if any)
- Explanations for problems with your U.S. individual or business tax obligations (if any)
- Credit or debit card for the \$64.25 PTIN user fee
- If applicable, your supervisor's PTIN (view the [Notice 2011-6 fact sheet](#) for more information)
- If applicable, any U.S.-based professional certification information (CPA, attorney, enrolled agent, enrolled retirement plan agent, enrolled actuary, certified acceptance agent, or state license) including certification number, jurisdiction of issuance, and expiration date

Once you gather all of your information, just follow four easy steps to obtain your PTIN:

- **Create Your Account** — First, you must create an account by providing your name, email address and security question information. The system will then email your temporary password, which you will change when you go back to enter your information in the PTIN application.
- **Apply for Your PTIN** — You will complete the online application by providing personal information, information about your previous year's tax return, professional credentials, and more as shown above.
- **Pay Your Fee** — The application will transfer you to our partner bank where you will make your payment of \$64.25 by credit card or direct debit.
- **Get Your PTIN** — After the bank confirms your payment, your PTIN is provided online.

After you obtain your PTIN, you will receive a welcome letter and information about next steps including testing and continuing education requirements (if applicable).

Appendix H

Before You Begin Your PTIN RENEWAL Application, Be Sure You Have the Following available:

- Personal information (name, mailing address, date of birth)
- Business information (name, mailing address, telephone number)
- Explanations for felony convictions (if any)
- Explanations for problems with your U.S. individual or business tax obligations (if any)
- Credit or debit card for the \$63.00 PTIN user fee
- If applicable, your supervisor's PTIN (view the [Notice 2011-6 fact sheet](#) for more information)
- If applicable, any U.S.-based professional certification information (CPA, attorney, enrolled agent, enrolled retirement plan agent, enrolled actuary, certified acceptance agent, or state license) including certification number, jurisdiction of issuance, and expiration date

After you renew your PTIN, you will receive information about next steps including testing, fingerprinting, and continuing education requirements (if applicable).

All PTIN correspondence is delivered through secure online messaging in your PTIN account. Use the most up-to-date email address when obtaining your PTIN to ensure that you receive our messages.

Appendix I

List of all items that can be pulled forward from the prior year's tax return:

- Personal Information- Names , Social Security Numbers, Date of Birth, Addresses, Phone Numbers and Dependent information
- W-2 Information
- 1099-R Payee information
- Schedule B Information (Interest and Dividend Payer's)
- Schedule C Information (Business Income Information)
- Schedule D Information (Capital Loss Carryovers)
- Schedule E Information (Rental Income or K-1 Income)
- Schedule F Information (Farm Income)
- Form 2441 (Child Care Information)
- Prior Year State Refund Information
- Bank Information (Direct Deposit or Direct Debit)

Appendix M

Voided Receipts Report-

Your Office

7/26/2012-- YTD Voiced Receipts Report

7/26/2012-- YTD VOIDED RECEIPTS REPORT(S)

#	Written	SSN	Last Name	P Fee	E Fee	R Fee	Type	Paid
1	12/22/2011	400-00-0001	Test	\$120	\$0	\$0	JP	
2	6/15/2012	400-00-2222	Tester	\$0	\$0	\$0	T	6/15/2012
3	6/15/2012	400-00-2222	Tester	\$0	\$0	\$0	E	6/15/2012
0			Total Charges	\$120	\$0	\$0		

Helpful Information

- [IRS website](#)
- [EFile Opt Out Form](#)
- [MeF Rejects](#)

Appendix N

Transmitted Returns Report-

Your Office

7/26/2012-- Transmitted Returns

7/26/2012-- TRANSMITTED RETURNS

	Efin	SSN	Taxpayer	Preparer	TimeSubmitted
1	582355	400-00-0516	Test Test	Test TFSPreparer	7/5/2012 11:01:20 AM
2	582355	400-00-2222	Timothy Tester	Test TFSPreparer	6/15/2012 2:10:27 PM
3	582355	400-00-4321	Test Test	Test TFSPreparer	3/1/2012 4:02:03 PM

Helpful Information

- [IRS website](#)
- [EFile Opt Out Form](#)
- [MeF Rejects](#)

Appendix O

Returns Not Transmitted Report-

Your Office

7/26/2012-- Returns Not Transmitted

7/26/2012-- RETURNS NOT TRANSMITTED

	Efin	SSN	Taxpayer	Preparer
1	582355	400-00-1234	Vickie Walker	Test TFSPreparer
2	582355	123-44-1111	Johnny Goode	Test TFSPreparer
3	582355	400-00-3322	Taxpayer Testing	Test TFSPreparer
4	582355	400-00-3322	Taxpayer Testing	Test TFSPreparer
5	582355	400-00-2585	George Gibson	Test TFSPreparer
6	582355	400-00-2585	George Gibson	Test TFSPreparer
7	582355	545-45-7546	Test Capital	Test TFSPreparer
8	582355	545-45-7546	Test Capital	Test TFSPreparer
9	582355	123-45-6789	Test Return	pro test
10	582355	400-22-2222	Harry Hamilton	Test TFSPreparer

Helpful Information

- [IRS website](#)
- [EFile Opt Out Form](#)
- [MeF Rejects](#)

Appendix P

New Business Report-

Your Office

7/26/2012-- New Business Report

7/26/2012-- NEW BUSINESS REPORT(S)

#	Written	SSN	Last Name	P Fee	E Fee	R Fee	Type	Paid
1	7/5/2012	400-00-0516	test	\$0	\$0	\$0	E	7/5/2012
0			Total Charges	\$0	\$0	\$0		

Helpful Information

- [IRS website](#)
- [EFile Opt Out Form](#)
- [MeF Rejects](#)

Appendix Q

Inventory Report-

Your Office

7/26/2012-- Inventory Report

7/26/2012-- INVENTORY REPORT(S)

#	Written	SSN	Last Name	P Fee	E Fee	R Fee	Type	Paid
1	12/22/2011	400-00-0001	Test	\$120	\$0	\$0	JG	
2	3/1/2012	400-00-4321	Test	\$0	\$0	\$0	JD	
3	6/29/2012	400-00-2222	Tester	\$100	\$0	\$0	JD	
4	7/17/2012	400-00-2585	Gibson	\$100	\$0	\$0	E	
0			Total Charges	\$320	\$0	\$0		

Helpful Information

- [IRS website](#)
- [EFile Opt Out Form](#)
- [MeF Rejects](#)

Appendix R

Fee Deposit Report-

Your Office

Fee Deposit Report

FEE DEPOSIT REPORT(S)

Efin	SSN	Last Name	Deposit Date	Current Amt	YTD Amt
0		Total Fees	07/26/2012	\$0	\$0

Helpful Information

- [IRS website](#)
- [EFile Opt Out Form](#)
- [MeF Rejects](#)

Appendix S

Fees Charged Report-

Your Office

Fees Charged

FEES CHARGED

	EFIN	SSN	Last Name	Prep Fee	Elec Fee	Doc Prep Fee	Total
1	582355	400-00-4321	Test	0.00	0.00	0.00	0.00
2	582355	545-45-7546	Capital	100.00	0.00	0.00	100.00
3	582355	400-00-3322		100.00	0.00	0.00	100.00
4	582355	400-00-0516	TEST	0.00	0.00	0.00	0.00
5	582355	123-44-1111	Goode	0.00	0.00	0.00	0.00
6	582355	400-00-2585	Gibson	100.00	0.00	0.00	100.00
7	582355	400-00-2222	Tester	100.00	0.00	0.00	100.00
0			Total Charges	400.00	0.00	0.00	400.00

Helpful Information

- [IRS website](#)
- [EFile Opt Out Form](#)
- [MeF Rejects](#)

Appendix T

Federal Mailing Addresses-



Where Do You File?

Mail your return to the address shown below that applies to you. If you want to use a private delivery service, see *Private Delivery Services* under *Filing Requirements*, earlier.



Envelopes without enough postage will be returned to you by the post office. Your envelope may need additional postage if it contains more than five pages or is oversized (for example, it is over 1/4" thick). Also, include your complete return address.

IF you live in...	THEN use this address if you:	
	Are not enclosing a check or money order...	Are enclosing a check or money order...
Alabama, Georgia, North Carolina, South Carolina	Department of the Treasury Internal Revenue Service Kansas City, MO 64999-0002	Internal Revenue Service P.O. Box 105017 Atlanta, GA 30348-5017
Florida, Louisiana, Mississippi, Texas	Department of the Treasury Internal Revenue Service Austin, TX 73301-0002	Internal Revenue Service P.O. Box 1214 Charlotte, NC 28201-1214
Alaska, Arizona, California, Colorado, Hawaii, Nevada, Oregon, Washington	Department of the Treasury Internal Revenue Service Fresno, CA 93888-0002	Internal Revenue Service P.O. Box 7704 San Francisco, CA 94120-7704
Arkansas, Idaho, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Montana, Nebraska, New Mexico, North Dakota, Ohio, Oklahoma, South Dakota, Utah, Wisconsin, Wyoming	Department of the Treasury Internal Revenue Service Fresno, CA 93888-0002	Internal Revenue Service P.O. Box 802501 Cincinnati, OH 45280-2501
Kentucky, Tennessee, Missouri, New Jersey, Virginia, West Virginia	Department of the Treasury Internal Revenue Service Kansas City, MO 64999-0002	Internal Revenue Service P.O. Box 970011 St. Louis, MO 63197-0011
Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New York, Pennsylvania, Rhode Island, Vermont	Department of the Treasury Internal Revenue Service Kansas City, MO 64999-0002	Internal Revenue Service P.O. Box 37008 Hartford, CT 06176-0008
A foreign country, U.S. possession or territory*, or use an APO or FPO address, or file Form 2555, 2555-EZ, or 4563, or are a dual-status alien	Department of the Treasury Internal Revenue Service Austin, TX 73301-0215	Internal Revenue Service P.O. Box 1303 Charlotte, NC 28201-1303

*If you live in American Samoa, Puerto Rico, Guam, the U.S. Virgin Islands, or the Northern Mariana Islands, see Pub. 570.

Consent to Disclosure Of Tax Return Information

_____ ("we," "us" and "our")
Printed name of tax preparer

Federal law requires this consent form be provided to you ("you" refers to each taxpayer, if more than one). Unless authorized by law, we cannot disclose, without your consent, your tax return information to third parties for purposes other than the preparation and filing of your tax return. If you consent to the disclosure of your tax return information, Federal law may not protect your tax return information from further use or distribution.

You are not required to complete this form. If we obtain your signature on this form by conditioning our services on your consent, your consent will not be valid. If you agree to the disclosure of your tax return information, your consent is valid for the amount of time that you specify. If you do not specify the duration of your consent, your consent is valid for one year.

You have indicated that you are interested in obtaining an Electronic Refund Product from Fort Knox Financial Services Corporation, d/b/a Refund Advantage (the "Electronic Refund Product Provider"). To provide you with the opportunity to apply for and/or receive an Electronic Refund Product, we must disclose all of your 2011 tax return information to the Electronic Refund Product Provider. You may request a more limited disclosure of tax return information, but you will not be eligible to submit an application for an Electronic Refund Product to the Electronic Refund Product Provider.

If you would like us to disclose your 2011 tax return information to the Electronic Refund Product Provider for this purpose, please sign and date your consent to the disclosure of your tax return information.

By signing below, you authorize us to disclose to the Electronic Refund Product Provider all of your 2011 tax return information so that the Electronic Refund Product Provider can evaluate and process your application for an Electronic Refund Product. You understand that if you are not willing to authorize us to share your tax information with the Electronic Refund Product Provider, you will not be able to obtain an Electronic Refund Product from the Electronic Refund Product Provider, but you can still choose to have your tax return prepared and filed by us for a fee.

Printed Name of Taxpayer: _____
Taxpayer Signature: _____ Date: _____

Printed Name of Joint Taxpayer: _____
Joint Taxpayer Signature: _____ Date: _____

If you believe your tax return information has been disclosed or used improperly in a manner unauthorized by law or without your permission, you may contact the Treasury Inspector General for Tax Administration (TIGTA) by telephone at 1-800-366-4484, or by email at complaints@tigta.treas.gov .

Consent to Use Of Tax Return Information

_____ ("we," "us" and "our")
Printed name of tax preparer

Federal law requires this consent form be provided to you ("you" refers to each taxpayer, if more than one). Unless authorized by law, we cannot use, without your consent, your tax return information for purposes other than the preparation and filing of your tax return.

You are not required to complete this form. If we obtain your signature on this form by conditioning our services on your consent, your consent will not be valid. Your consent is valid for the amount of time that you specify. If you do not specify the duration of your consent, your consent is valid for one year.

For your convenience, we have entered into an arrangement with certain companies to offer Electronic Refund Products. To determine whether this service may be of interest to you, we will need to use your tax return information.

If you would like us to use your tax return information to determine whether this service is relevant to you while we are preparing your return, please sign and date this consent to the use of your tax return information.

By signing below, you authorize us to use the information you provide to us during the preparation of your 2011 tax return to determine whether to offer you an opportunity to apply for an Electronic Refund Product.

Printed Name of Taxpayer: _____
Taxpayer Signature: _____ Date: _____

Printed Name of Joint Taxpayer: _____
Joint Taxpayer Signature: _____ Date: _____

If you believe your tax return information has been disclosed or used improperly in a manner unauthorized by law or without your permission, you may contact the Treasury Inspector General for Tax Administration (TIGTA) by telephone at 1-800-366-4484, or by email at complaints@tigta.treas.gov.

IRS Processing Centers and States *

JANUARY 2011 - OCTOBER 2011 RETURN TRANSMISSIONS

<p>If Fed/State or State-only return and the state return included is for the following state; OR</p> <p>If Online Federal return only and the taxpayer's address on their Federal return is in the following state:</p>	<p>Return Processing Site Designator</p>	<p>e-Help Desk 1-866-255-0654</p> <p>Send Form(s) 8453/8453-OL to:</p>
<p>Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, APO/FPO New York</p>	<p>Andover</p>	<p>Andover</p>
<p>North Dakota, South Dakota, Colorado, New Mexico, Texas, Nebraska, Oklahoma, Iowa, Arkansas, Louisiana, Mississippi, Alabama</p> <hr/> <p>Foreign and U.S. Possession addresses, returns containing U.S. Possession forms, or Forms 2555/2555-EZ, Forms 8833, Form 8854 or Forms 8891</p>	<p>Austin</p>	<p>Austin</p>
<p>Illinois, Minnesota, Wisconsin, Michigan, Indiana, Ohio, West Virginia, Missouri, Kansas</p>	<p>Kansas City</p>	<p>Andover</p>
<p>Florida, Tennessee, Kentucky, North Carolina, South Carolina, Georgia, APO/FPO Miami</p>	<p>Philadelphia</p>	<p>Austin</p>
<p>California, Alaska, Arizona, Hawaii, Idaho, Montana, Nevada, Oregon, Utah, Washington, Wyoming, APO/FPO San Francisco</p>	<p>Fresno</p>	<p>Austin</p>